

**THE  
MACARONI  
JOURNAL**

**Volume XV  
Number 3**

**July 15, 1933**

*The*  
**Macaroni Journal**



Minneapolis, Minn.

July 15, 1933

Vol. XV No. 3

### It's Time To Act

Encouraged by governmental sponsors of new laws affecting industries, the Macaroni Manufacturers in convention in Chicago June 19-21 unanimously adopted a Code of Fair Competition that will have a far-reaching effect on business recovery.

Its strict observance and enforcement means the actual rebirth of the Macaroni Industry.

Read the full convention story in this and subsequent issues. Then, let us ACT in UNISON in promoting this promising program.

*The*  
**Macaroni Journal**



Minneapolis, Minn.

July 15, 1933

Vol. XV No. 3

### It's Time To Act

Encouraged by governmental sponsors of new laws affecting industries, the Macaroni Manufacturers in convention in Chicago June 19-21 unanimously adopted a Code of Fair Competition that will have a far-reaching effect on business recovery.

Its strict observance and enforcement means the actual rebirth of the Macaroni Industry.

Read the full convention story in this and subsequent issues. Then, let us ACT in UNISON in promoting this promising program.

A MONTHLY PUBLICATION DEVOTED TO THE INTERESTS OF MANUFACTURERS OF MACARONI

THE GOLDEN TOUCH

# King Midas Semolina

A better semolina, even in granulation and rich in color, for macaroni manufacturers who realize that quality is the surest and most permanent foundation on which to build a bigger and better business.



**King Midas Mill Co**  
MINNEAPOLIS, MINNESOTA

July 15, 1933

THE MACARONI JOURNAL

3

## Message From Our New President

Custom decrees that the President of the Association present each month, through the pages of THE MACARONI JOURNAL, the official organ of the National Macaroni Manufacturers Association,—a message to the Industry. I write this enroute to Washington, D. C. to present our "Code of Fair Competition" to the Agricultural Adjustment Administration and I am sure no subject holds more of your interest than this most important document. Every effort will be made

The report of the closed session when the Plan of Organization and Code of Fair Competition was discussed by the members, revealed as the meeting progressed a mountain hope that here at last may be the answer to our problems. That report starts with conflicting opinions on practically every subject covered by the Code. It moved through to an anticlimax when it appeared that the only possible chance for a unanimous vote was on a motion to adjourn for lunch.



G. G. HOSKINS, President  
The New Leader of the organized Macaroni Manufacturers of America

to have an early date set for a hearing and all manufacturers will receive bulletins reporting progress made.

In preparation for my interview with the Administration I have spent many hours studying the codes of other industries, reading Government releases, and have just reviewed a typewritten report of our Chicago convention. After reading the report the dominant thought with me is that never before has our Industry been given such an opportunity to build a solid foundation for growth and prosperity.

Then after lunch objection after objection was withdrawn and we reach the grand climax when with a shout of AYES, which should be recorded for posterity, the Plan and Code as amended at the convention, was adopted by a unanimous vote of more than fifty per cent of the producing capacity of the United States Macaroni Industry.

• • •

What message from the President could be more encouraging than this?



QUALITY  
IS  
SUPREME  
IN

★ ★ **TWOSTAR** ★ ★  
**MINNEAPOLIS MILLING CO.**  
MINNEAPOLIS, MINN.

# THE MACARONI JOURNAL

Volume XV

JULY 15, 1933

Number 3

## AN AWAKENING

Action at, prior to and following the history-making convention in Chicago last month indicates that the macaroni and noodle manufacturers are truly appreciative of the opportunities for trade betterment being offered this and other industries by a benevolent and considerate government. They have awakened to the fact that a thoroughly organized, self-managed trade association is a prime necessity and they have wisely and generously offered their fullest support to the program for trade improvement and regulation recommended by the National Macaroni Manufacturers Association.

When the history of the macaroni industry of America is written years hence, it will record the 1933 convention of the National Association as the most important, the most far-reaching ever held,—the turning point from selfish individualism to collective action for the general welfare of the industry and of its components.

For many years there has been a growing suspicion that never would it be possible for the big majority of the macaroni men to gather in a friendly conclave and consider the serious problems of the industry that not only hampered individuals but retarded general progress. The attendance and the action in Chicago last month proved that such is no longer true. Representatives from nearly every important manufacturing center not only got together in a social and friendly manner, but they spoke plainly, considered clearly and acted wisely with the result that the future now appears brighter to all.

The National Association, sponsoring its thirtieth annual convention for the consideration of the general welfare of the trade in America, provided the common meeting ground wherein all interests were heard, all views studied. It presented at no small cost of time, labor and money a plan that with only slight modifications was finally selected as the one that would best serve the big majority of the operators in the macaroni industry. The next and perhaps even more important step will be its effective enforcement.

The sponsors of the plan, nearly a hundred manufacturers from the Atlantic to the Pacific, from the Great Lakes to the

Gulf, vision better prices for their products, elimination of competitive abuses that not only affected prices but quality, which is equally important, and fairer treatment of distributors and consumers. Vividly they see a future of closer coordination in promulgating and supporting fairer trade policies from which will come much-needed trade stability.

If there remain any in this industry who doubt that the government officials and the well-intentioned macaroni makers did not mean business when they planned and adopted the Industry's Code of Fair Competition, let it be said that now is the time for them to stop deceiving themselves any longer. The old ways of doing business are gone. They have proven inadequate and dependable in the emergency that grew out of the depression during the past few years.

Gone forever is the old system of unrestricted, unbridled, radical competition. Private initiative along proper lines will not be discouraged or stilled in the least, but competition will be controlled or supervised in a way that under the new government plan will come better business through the elimination of the demoralizers.

The Code of Fair Competition adopted by the convention represents a supreme effort on the part of the interested macaroni manufacturers of the nation to stabilize for all time those things that make for the prosperity of the trade and the nation, the preservation of the American standards of living and the recognized methods of fair business practices. Obviously, if the plan is to succeed it needs and demands the whole-hearted support and cooperation of the better element in the trade.

Macaroni manufacturers are urged to be patient. It will take time to put the plan into effect, even after its approval by the government. It will not immediately eliminate all trade abuses but it will tend to tone them down so that gradually they will cease entirely.

We bespeak for the new plan a fair trial. Immediate and general participation in the plan will prove a welcome spur to better business in the macaroni industry.

# Macaroni Manufacturers In Strategic Conference

## Record Breaking Registration of Actual Macaroni and Noodle Makers Shows 88 Firms Represented by 96 Executives and the Usual Number of Allied Tradesmen in Attendance

### Convention Unanimously Adopts Code of Fair Competition for Self Regulation-- Personal Views of Long Standing Submerged for General Good . . . . .

The record of the 1933 convention of the Macaroni Industry of America held in Chicago June 19-21 establishes the fact that it was easily the largest strictly macaroni trade conference ever held in this country, perhaps in the entire world. It was the most important from the angle of far-reaching action taken therein.

The 1933 or "Century of Progress" convention marked the 30th annual meeting of the industry under the auspices of the National Macaroni Manufacturers association. Never before have representatives of so many actual producers from all of the important manufacturing centers gathered with such oneness of thought—to take advantage of an unexpected opportunity to improve general trade conditions under new Federal legislation. Over 150 operators, executives and superintendents of macaroni and noodle plants and interested allied tradesmen composed the conference. By actual count there were 96 macaroni men representing 82 firms not counting a half dozen firms whose representatives failed to register.

Overshadowing the record attendance stands the important action taken by this history making conference. The unanimous adoption of the Industry's Code of Fair Competition for presentation to our government for enforcement under the Farm Relief act will stand always to the credit of earnest and honest manufacturers who showed themselves reasonable and most willing to compromise for the common good.

Practically the entire session of the closing day was taken up in a serious study of the ills of the trade and ways and means of overcoming them through a timely code that was presented after many hours of labor by a good-intentioned executive committee assigned to the work several weeks previously by President Alfonso Gioia. The code with slight modifications was adopted as something from which to make a supervised start in trade regulation from which all interests would benefit.

### MONDAY'S SESSION

It was a strictly business convention, with representatives in almost continuous session throughout the 3 days despite heat waves that also broke all records for June. There was little time for pleasure, the wives and guests of manufacturers being left to entertain themselves as best they could.

Prior to the formal opening of the convention on Monday morning, the directors had conferred for more than 13 consecutive hours Sunday afternoon and late Sunday night, in studying, changing and modifying the final Code of Fair Competition for the Industry for presentation to the meeting.

For more than 2 hours before the time set for the actual opening of the convention, the Secretary and his staff were busily engaged in registering members and guests until all previous records of attendance were passed, delaying the formal opening of the conference for nearly an hour.

President Gioia at 10.20 a.m. June 19, 1933 called to order the most important conference by congratulating the industry on interest manifested and the cheerfulness with which its representatives had responded to a call to war on ruinous trade practices. He stressed the need of sticking close to business despite counter attraction and expressed a hope that before final adjournment the convention would approve ways and means of taking advantage of the welcomed opportunity to improve business and to help the government attain the ends aimed at by the new laws for business recovery.

### A Warm Welcome to Chicago

The weather unofficially accorded the visitors with a real warm welcome, but not to be outdone by such a common thing as the weather. Fred G. Miner, a world renowned traveler and a friendly visitor to almost every important city in the world, greeted the macaroni men and their guests with warm words of welcome in behalf of Chicago's officialdom and incidentally from the sponsors of the world's biggest and best exposition, "A Century of Progress."

### President Gioia's Address

Prefacing his remarks with the statement that not much of basic importance

had been accomplished during his year as president, excepting that during that time the way had been prepared for the important matters to be considered by the convention, President Gioia reported briefly and modestly his acts and decisions, paying compliment to his fellow officers and to the rank and file for their faith and their loyalty under stress.

He observed that though actual conditions in the industry had not greatly improved there was a noticeable increase in confidence in the association and in the future. Evidence of this was seen in the number of former members who in recent months have sought and been granted reinstatement in the National association that for 30 years had carried on loyally and consistently for the general betterment of the trade in this country.

President Gioia stated that the time for doing nothing had definitely passed. The time has come for the industry to help itself out of its difficulties, or other agencies might take a hand in a way that might not be at all welcome. He urged the adoption of the Code of Fair Competition practically as submitted by the special committee representing all interests that for weeks had spent laborious hours in drafting and redrafting a code aimed to please all interests and in keeping with the desires of the government officials who recommend such a pledge from all industries.

He stressed the value and the need of THE MACARONI JOURNAL, the association's official organ and the industry's spokesman. He asked manufacturers everywhere to help finance the trade paper by paying the annual subscription price asked for 12 monthly issues of only \$1.50 a year; also that they show more friendliness than usual to advertisers of raw materials, machinery and accessories. Further, that those who sell the macaroni trade make judicious use of the advertising columns of the JOURNAL since it covers 100% of this industry otherwise hard to reach.

### Secretary-Treasurer's Report

In making a brief report of the activities of his office, his 15th since assuming the position in 1919, Secretary-Treasurer M. J. Donna emphasized the fact that much indeed had been accomplished during the past term, when the organization was held intact ready to take advantage of the opportunity now presented, keeping the organization alive when trade organizations by the hundreds were wiped out by the rigors of depression and the indifference of those they sought to help.

He announced a healthy increase in membership, with 77 Active Members enrolled and with 24 applications await-

July 15, 1933

THE MACARONI JOURNAL

7

ing action by the directors. The financial standing was about the same as that reported a year ago, with expenses slightly heavier than the income.

### Executive Committee Chairman

The several standing committees of the association whose chairmen constitute the Executive Committee of the association reported much activity, especially in recent weeks. Under conditions that proved heavy handicaps they made progress in formulating plans whose future development will be most beneficial if approved and promulgated.

### Panel of Distributors

To get first-hand information as to the "Aspects of the Macaroni Market" and some of the defects in methods followed in distributing macaroni products through the various channels of distribution to the consumer, the convention adopted the novel idea of getting recognized leaders to discuss the whole question pro and con around a friendly table. The Panel Plan of discussion was most interesting. Taking part therein were Chairman L. S. Vagnino, representing the macaroni manufacturer; Fred H. Mossman, vice president of the National Tea Co., representing the chain store; J. Frank Grimes, president of Independent Grocers Alliance, speaking for the voluntary chains; Edward W. Rosenheim, president of the National Food Distributors association, representing the store-to-store plan of distribution, and P. G. Rapp of Rapp Brothers, speaking for the retailer.

Though their views were sometimes at variance the discussion went far in stressing the need of eliminating some practices that should be discontinued for the best interest of all concerned.

Just before adjournment President Gioia appointed the regular convention committees urging them to take up the respective duties with determination, to expedite completion of the work of the convention without undue haste.

### Directors Confer Again

When the convention adjourned that meant liberty for most of the manufacturers, but merely a shifting of the scene of action for the directors who immediately went into closed session to consider the proposed Code of Fair Competition in the light of new information gained from convention discussion, and from interviews with leading manufacturers. A 5-hour session succeeded in whipping into shape a code that was ordered mimeographed for presentation to the convention at its closing session.

### Association Activities

To give the association members and other manufacturers interested some idea of the scope of activities undertaken by the organization the past year the whole of the second day of the convention was set aside for a study of the several activities promoted, particularly those centering in the nation's capital.

The N.M.M.A. is a member of the Chamber of Commerce of the United States and is naturally interested in the action taken by the leading business or-

ganization under changing conditions. John N. Van der Vries, manager of the central district of the association reported fully and interestingly.

Justice W. E. Humphrey, member of the Federal Trade Commission gave a learned discussion of the accepted plan of Trade Practice Conferences under which industries attempt self regulation. He discussed at length the Farm Relief and Industries Control acts, telling just how they will affect business. Members of any trade may control it and conduct it according to agreed rules and regulations, when and if adopted by the majority and approved by the Federal Trade Commission.

The new definitions and standards for macaroni products as recently adopted by the U. S. Secretary of Agriculture on recommendation of the Committee on Definitions and Standards, were explained by J. O. Clarke, chief of the central district of the Food and Drugs Administration, pinch hitting for Dr. W. S. Frisbie, chief of the Committee on Definitions and Standards who was unable to attend the convention because of pressure of official business. He startled many by emphasizing the fact that under the new definitions all noodles containing eggs in a quantity less than .5% egg solids must be labeled "Imitation Noodles," the inference being that any attempt to use less than the legal requirements of eggs was an imitation. Plain noodles are just what their names imply, plain or eggless noodles.

In a paper prepared by Miss Mary Anderson, director of Women's Bureau, U. S. Department of Labor, read to the convention because she had been delegated by President Roosevelt as observer at the league conference in Geneva, Switzerland, she made it plain that the intent of the new legislation was to abolish sweat shops, to shorten hours of labor, to spread employment and to pay to all workers wages that would permit them to live on the recognized American standard of plain living. Child labor in all industries was strongly condemned as inhuman and surely unnecessary. The small manufacturer was to be given deserved consideration as was the welfare of both employer and employe.

### Banquet a Big Feature

The annual dinner on Tuesday evening was on a par with the convention as a whole. The guests enjoyed every bit of a delicious meal, every act of a classy entertainment and every step of their dancing to music by one of Chicago's renowned orchestras.

This high spot of the convention entertainment was attended by more than 325 macaroni makers, their wives and friends, and from the opening remarks of Toastmaster L. S. Vagnino until the orchestra played "Home Sweet Home" they interested themselves in the varied pleasures provided. To put it briefly, it was a gala affair of high standing, becoming the sponsoring association.

### The Close

On the third day the convention reached its climax. By a vociferous

"Aye" vote the macaroni and noodle manufacturers present, after full discussion and careful consideration of all changes recommended, the Code of Fair Competition for the Macaroni Industry was approved and ordered presented to the U. S. Department of Agriculture for endorsement and enforcement.

In its final form it consists of 16 mimeographed pages and is in 3 parts: (1) an agreement between Member Manufacturers and the National Association giving authorization for establishment and enforcement of a code of fair business practices; (2) the code defining power and setting forth rules and regulations covering kind and qualities of products, terms of sale and listing practices that are considered in violation of the macaroni man's code of fair business; (3) a plan for the operation of the macaroni industry under the Agriculture Adjustment Act. To effectuate the plan the country is divided into convenient regions and power granted each for a specified degree of home rule through a regional chairman, a regional secretary and regional committees with stipulated powers.

It authorizes the directors to establish with the consent of the government a maximum week of 45 hours and minimum wages ranging from 25c an hour for women to 50c an hour for skilled labor. It provides for establishment of a minimum selling price based on cost facts determined by periodical reports to the statistical committee with due consideration to the cost of raw materials and accessories, with fluctuation permissible to hold the price fair to all parties concerned. The secretary's office is to be the information center through which all figures and information are to be sent to regional chairmen spontaneously to permit of uniform action in matters of price and other things permitted under government supervision.

### Secretary Wallace Speaks

While the discussion of the macaroni makers' code was at its height the convention committee announced an unscheduled speaker, a big surprise in the personal appearance of Henry A. Wallace, Secretary of the U. S. Department of Agriculture and member of President Roosevelt's cabinet. Earlier in the day his talk to the millers in another room in the hotel had been sent by remote control to the assembled macaroni manufacturers. As a pleasant climax, he appeared in person to state briefly that he was well aware of the problems of the macaroni manufacturers and assured them that they were in friendly hands.

He was given an ovation becoming his high standing in the government and the thanks of the convention for valuable information presented in his short talk and in replies to questions propounded.

### Weaver Answers Questions

The Secretary was followed by a member of his staff of experts, A. J. Weaver, senior economist specialist for wheat, who gave most of his attention to questions freely asked by manufacturers from all sections of the country, refer-

## 1933-1934 OFFICERS

PRESIDENT	
G. G. Hoskins (35)	The Foulds Milling Co., Libertyville, Ill.
VICE PRESIDENT	
L. S. Vagnino (35)	American Beauty Macaroni Co., St. Louis, Mo.
ADVISER	
Alfonso Gioia	A. Gioia & Bro., Rochester, N. Y.
REPRESENTATIVE	
B. R. Jacobs	2026 "I" St. N. W., Washington, D. C.
SECRETARY-TREASURER	
M. J. Donna	Braidwood, Ill.
DIRECTORS	
G. LaMarca (34)	Prince Macaroni Mfg. Co.
	Boston, Mass.
R. V. Golden (34)	West Virginia Macaroni Co.
	Clarksburg, W. Va.
Wm. Culman (35)	Atlantic Macaroni Co.
	Long Island City, N. Y.
John V. Canepa (36)	John B. Canepa Co.
	Chicago, Ill.
V. Giatti (36)	The DeMartini Macaroni Co.
	Brooklyn, N. Y.
W. F. Villume (34)	Minnesota Macaroni Co.
	St. Paul, Minn.
F. A. Ghiglione (34)	A. F. Ghiglione & Sons
	Seattle, Wash.
Jos. Freschi (35)	Mound City Macaroni Co.
	St. Louis, Mo.
G. Guerrisi (36)	Keystone Macaroni Mfg. Co.
	Lebanon, Pa.
Edw. Z. Vermylen (36)	A. Zerega's Sons, Inc.
	Brooklyn, N. Y.

ring particularly to the processing tax and its application to floor stocks and finished products. He expressed the belief that the new tax would probably become effective about July 8 and that rules governing payment and collection of the tax would be made known by the treasury department.

## Cost Study

Aided by accountants from Wolf and Company, John B. Canepa, chairman of the Statistical Committee presented some surprising cost facts deduced from answers to questionnaires submitted to leading firms of the country. It is on data of that nature obtained from similar occasional surveys that minimum prices will be fixed under the code. It is the wish of the committee that macaroni manufacturers everywhere join more earnestly in the cost study that must necessarily be made from time to time to establish prices that are fair to producer, distributor and consumer.

After being in continuous session for nearly 8 hours, the convention adjourned sine die at 5.30 p.m. Wednesday. It was voted not only the best but the most important gathering of macaroni industry in America. Extracts from reports and addresses follow:

## Clear Wrong Impression

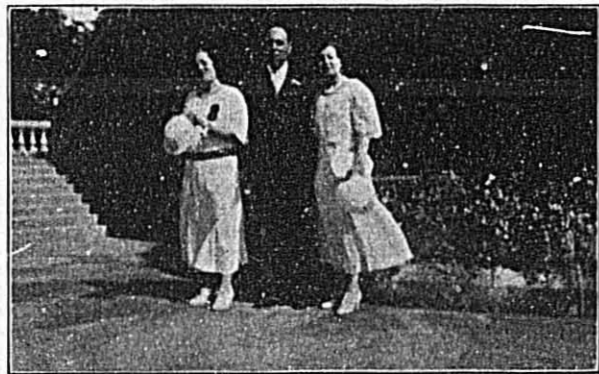
In its May issue THE MACARONI JOURNAL reported a case of alleged short weight sales of macaroni in Dallas, Texas. From the evidence submitted the guilty firm had sold 250 cases of spaghetti to the city for its commissary; after 150 cases had been delivered state inspectors weighed the packages and found them to contain on an average about 5 7/8 oz. instead of 7 oz. as labeled. The firm was found guilty of violation of

the weight law in a justice court and fined \$20 and costs.

In reporting the case no mention was made in these columns of the name of the guilty firm. The National Macaroni company of which Frank S. Borso is manager writes to correct a wrong impression and suggests naming the guilty party to relieve his firm of any wrong impression that may have been caused by the article. He submits the following clipping from a Dallas, Texas paper reporting the case in question:

Joe Lomanoco, charged with violation of the weights and measures law, was found guilty and fined \$20 and costs Wednesday by Judge Ben H. Fly in Justice court. Lomanoco, operator of the Dallas Macaroni company, was charged with selling the city for its commissary No. 2 a number of cartons

## Gay New Yorkers



Steve and Pete LaRosa are the two leading executives of V. LaRosa and Sons, Brooklyn. Here are shown the two Mrs. LaRosas, charming ladies—and Steve in happy convention mood.

of spaghetti which state inspectors found to be underweight. The cartons were supposed to contain seven ounces and 97 of 103 weighed by the inspector were found to average five and seven-eighths ounces in weight.

Mr. Bonno states that short weights are the cause of many of the low prices prevailing in his territory, though inferior quality goods are also much to blame for the 40c to 40 1/2c per case quotations that are altogether too common for the welfare of the better element in the trade.

## Macaroni Wins

The shout "Macaroni Wins" when it refers to a decision by members of a family as to their choice of a food is quite common, but cannot be heard too often by macaroni makers. But the shout "Macaroni Wins!" that rent the air around Saint Cloud, France, unfortunately did not refer to the food product by that name but was an acclaim for a horse by that name which won the Prix President de la Republique at 2000 meters by a half length from Generalissimo, owned by Dorn y de Alusa at the Saint Cloud race course on July first.

Macaroni, the winning horse, owned by Jean Prat, by his victory earned for its owner the major share of a purse of 300,000 francs, about \$15,000 at current exchange. That purse should provide both owner and horse with a large assortment of the best macaroni produced anywhere in the world.

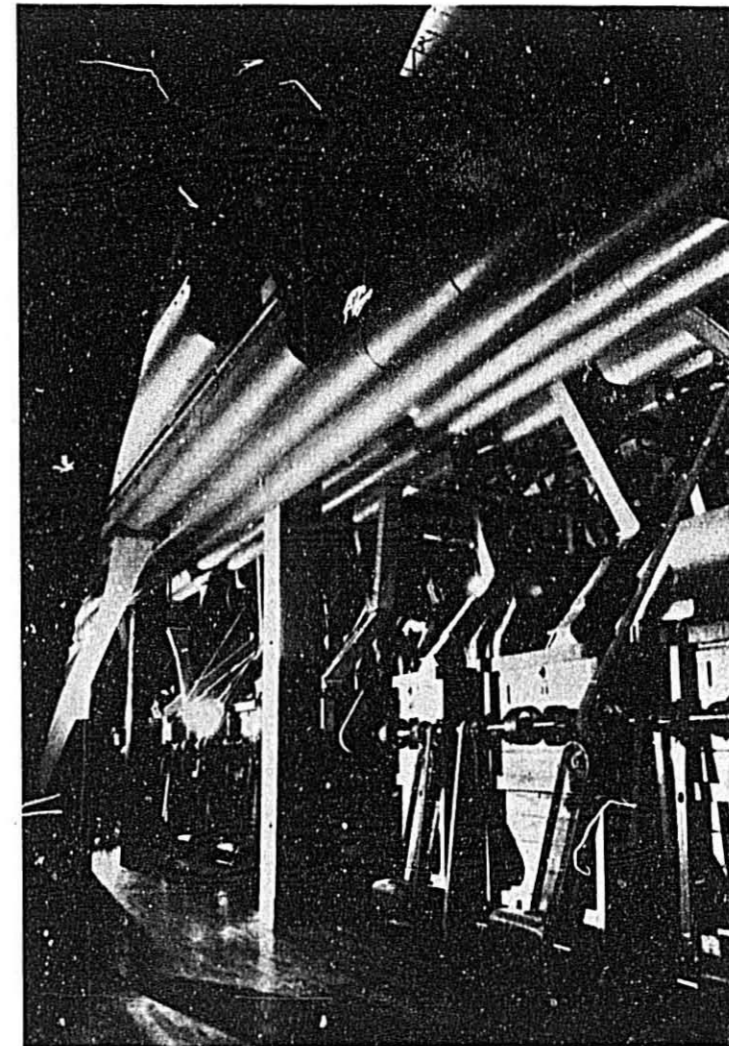
## Macaroni Men Join

Among the macaroni and noodle manufacturers who have become members of the National Food Distributors association according to announcement by that organization are:

A. Zuninno, president of the Atlantic Macaroni company, Long Island City, N. Y. as associate member.

L. H. Jones of Kentucky Macaroni company, Louisville, Ky.

Frank Bruton of John B. Canepa company, Chicago as associate member.



**Twice  
as many  
purifiers!**

**N**EW uniformity of color... precise control of strength and taste... these are the benefits to you of the precision milling of Semolina now made possible by the great new Gold Medal Semolina mill.

Twice the customary number of purifiers assures freedom from specks... only one instance of what Gold Medal is doing in this new mill to produce the finest of Semolina.

Rigid milling control, following careful selection of the finest amber

durum wheat, is in turn followed by the Gold Medal "Press-test." This consists of making parts of every batch into macaroni, under normal working conditions. Only those batches which check 100% for color, strength, and taste are permitted to reach your shop.

This enables you to eliminate all the losses caused by variation in Semolina—it means a new superiority, a new uniformity in color, strength, and taste of the macaroni you produce. It means the sale of more macaroni and more profits from it.



**Gold Medal Semolina**  
"Press-tested"

## President's Annual Address

Our laws and established custom require that the president of this association render to our annual convention a report reviewing what has been done and recommending future action. This I will endeavor to do very briefly.

In looking back over the past year to the day when I reluctantly accepted the presidency of this organization at Niagara Falls last June I note very little improvement in the general discontent that has prevailed for many months though there seems to have developed some hope and more confidence in the future.

Actual business conditions have changed little over those that confronted our industry when we met just 12 months ago, but I do note increased confidence among the remaining macaroni and noodle manufacturers and much welcomed contentment. This reminds me of a story from an unknown author that properly fits in our picture.

A king of ancient times was very unhappy. He was very much dissatisfied. Everything seemed to be going wrong. He called to him a renowned philosopher for advice as to just what could be done to make him more contented with his position and his lot. The philosopher suggested that he search his kingdom over for the most contented man therein, and to wear that man's shirt as a sure cure for his discontent. After a long search, the king found a really and truly contented man, but he had no shirt.

In our industry many have had reason to have been dissatisfied, discontented and perhaps even disgusted, so a few of us are truly fortunate to have our shirts. Recent developments have been most encouraging and all are looking to the future with considerably more pleasurable anticipation.

On assuming the presidency a year ago, I made to you a pledge that I would make every effort to enroll under the banner of the National Macaroni Manufacturers association as many of the leading manufacturers as humanly possible. How I have striven to keep that pledge, most of you know. I am happy in the thought that I have done my best, kept my word to my friends in the industry, to all the association members,—even to those who should be members but for reasons best known to themselves have not yet enrolled with us.

The biggest obstacle I had to overcome in trying to get the leading manufacturers to join our organization was that of indifference. Then there were complaints about inaction, about this or that firm or group,—it is so easy to find fault, but I finally convinced many that making faces at one another, complaining loudly about unfair business practices, real or fancied, would do little or no good. We must use our heads,—our best judgment in seeking a common ground on which we can and should meet our fellow business men—and that was in the National association.

To get expected results from this or any similar organization I invited non-members to come in with open minds, with friendly hearts and with the best of intentions; with our members in the same state of mind there would be found ways and means for getting together contentedly to promote the trade's best interests.

If as a result of these efforts on my part there has been any improvement, if there has been created even a little more friendly relation between competitors, if the foundation has been laid for better



President Alfonso Gioia

understanding and fairer business practices, I will not have labored in vain. Neither do I wish to claim all the credit for any improvement that may have developed during the past year. Toward that same goal all of the officers and members of this organization have also striven faithfully and determinedly. Effective also have been the cooperative efforts of allied tradesmen and particularly the new laws passed by an understanding administration.

We welcome the loyal support of the faithful, old members; we appreciate the cooperation of those who have recently joined forces with us and we again invite all who have not yet done so to enlist now in supporting this association in the Macaroni Industry's most important battle for lasting trade improvement.

Trade organizations need both moral and financial support if they are to function smoothly and efficiently. There are still too many in this industry that are still satisfied to let the other fellows worry, do the work and pay the bills. They remind me of an incident reported by a tourist on his return from a tour of the south. There he had accosted a Negro sitting on a rail fence, thus—

"Rastus, what do you do for a living?"  
"Nothin'," was the calm reply.  
"Who supports you?"  
"Papie. He takes care of me, my four brothers and three sisters."  
"And what does your papie do?"  
"Nothin'."

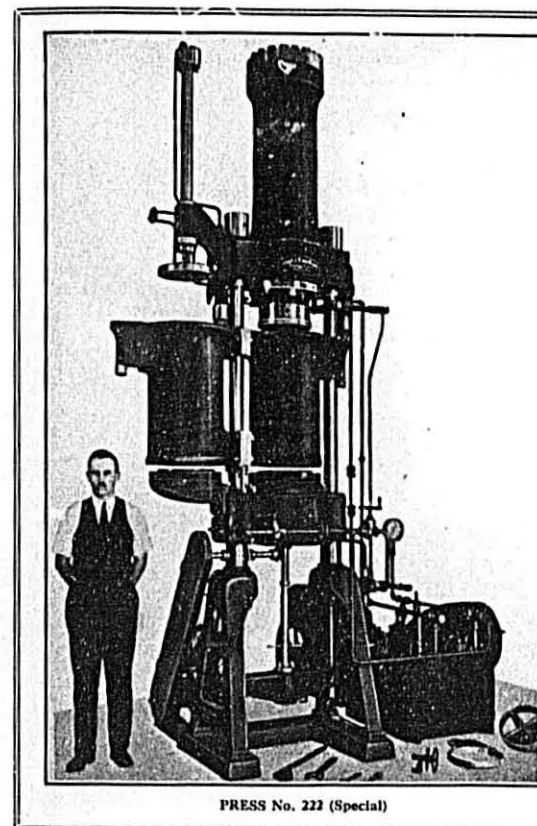
Gentlemen, the time for doing NOTHING is past,—gone forever, I hope. We as an Industry and through this Association must do something to take care of ourselves, and we must do it now. If we don't, somebody else will do it for us,—and do it in a way, perhaps, that may not be altogether to our liking.

I refer to the "NEW DEAL" inaugurated by the present administration. You know something about the plan, but if you will listen intently during the next two or three days, you'll know much more about it and its probable effects on you and me.

There is nothing more important to occupy our minds, to take up our time at this convention. We have before us an opportunity of which we should take the fullest possible advantage. Our plan for self help will be presented as something to start with. We want you to study it closely, criticize it constructively and amend it progressively, so that before this convention finally adjourns we will have something practical, something acceptable to propose to the proper government authorities in keeping with the spirit of the "NEW DEAL," fair and equitable to ourselves, our government, our employees, our distributors and the consumer.

Finally, we should be ready and willing to pledge the plan our fullest support, pledge to conduct our business strictly within the provision of any agreement finally adopted by this conference—even if it does not meet with our personal views 100%. Whatever we agree upon must necessarily be a compromise—a give and take affair, all for the best interest of the trade in general but without trespassing ruthlessly on the rights of individuals or groups, large or small, wherever situated.

In conclusion I wish to state my sincere appreciation of the helpful cooperation of my fellow officers, the association employees, the rank and file of our organization and members of allied trades. They have given freely of their time and experience in making lighter my duties. Vice President Hoskins, the Executive Committee and the Directors including the Adviser, all gave me splendid and appreciated support. Secretary Donna has been a faithful servant and has ably edited our official organ, keeping it on the high class of trade publications. I bespeak for more individual and general support of our official organ—THE MACARONI JOURNAL, on the part of every manufacturer in the country, of all of our friendly allied tradesmen and particularly those who should use this valuable advertising medium in filling our factory need and selling us our supplies. It covers 100% the macaroni manufacturing industry in this country and is and has always been 100% loyal to our trade. Our Washington Representative has been most faithful and watchful and our several committees very active and pro-



PRESS No. 222 (Special)

### John J. Cavagnaro

Engineers  
and Machinists

Harrison, N. J. - - U. S. A.

Specialty of

### Macaroni Machinery

Since 1881

Presses  
Kneaders  
Mixers  
Cutters  
Brakes  
Mould Cleaners  
Moulds

All Sizes Up To Largest in Use

N. Y. Office and Shop

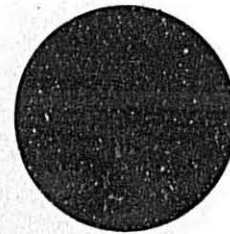
255-57 Center St.  
New York City

## Mr. Macaroni Manufacturer:—

On that next car of SHOOKS--  
Look over our proposition and samples.  
Then if there is still any doubt, ask your  
neighbor--he is buying from us and can  
heartily recommend

. OUR .

### Shooks — Service — Dependability



### DECATUR BOX AND BASKET COMPANY

INCORPORATED

SALES OFFICE: STARKS BUILDING

LOUISVILLE, KENTUCKY



ductive. Our membership has been loyal, many of them self sacrificing. To each and all, my sincere thanks.

There are big things before us at this

convention. Let's tackle them in a big way. If we do this job right at this time we will not need to worry greatly about the future. Gentlemen, the thirty-first

annual convention of the National Macaroni Manufacturers association and all the current problems of the industry are in your hands.

## Secretary's Report

Once again it is my pleasure to report to you on the affairs of this organization insofar as they have been noted since the close of your last convention down to the opening of this, the thirtieth annual convention of the National Macaroni Manufacturers association.

While to some members and many outsiders there looms no outstanding accomplishment by our association at which to point with pride, I submit that our continued existence as a going and functioning body is in itself something to be proud of and stands to the everlasting credit of the faithful manufacturers and allies who stood loyally with the ship despite the worst storm in the history of business in this country which caused many other similar organizations in other trades to give up the ghost. Through the support of the faithful who can always be depended upon, there has been kept intact this trade association for and of and by the macaroni industry, ready and able to take the earliest and fullest possible advantage of such favorable opportunities as are now confronting us.

The National association as you perhaps know, was conceived over 30 years ago as a mechanism for self defense. It was the intention of the founders to have an organization always ready to present a united front against all adverse conditions that may arise; to aggressively and progressively promote activities for general trade betterment, all with the thought of having, as it fully deserves, the full support of the better element in the trade to more easily attain its objective.

During the notorious depression years trade associations have suffered perhaps even more than the majority of the member firms composing them. Our organization, too has suffered, but because of the loyalty previously referred to, the National Macaroni Manufacturers association stands in a strategic position, ready to render distinguished service to the industry which now seems more willing than ever before to listen to reason and to admit that in unity and numbers there is strength.

The National association of this industry has come through the past year with no vital impairment of its numerical strength, no loss of prestige and with a clearer vision of its duties to its members, the trade, our government and our employees. I am pleased to report a healthy increase in our membership since the Niagara Falls convention last year. President Gioia has well kept his pledge given at the time he assumed office, that he would use every honorable means in solidifying the industry behind the Na-

tional association. The efforts of Chairman Grass of the Membership Committee, helped somewhat by the activities of the secretary's office, and last but not least, the more recent developments in Washington, have made many macaroni and noodle manufacturers association-conscious.

Our membership a year ago, as reported by me to the Niagara Falls con-



Secretary M. J. Donna

vention totaled 53, classified as follows: 10 in Class "A"; 14 in Class "B"; 11 in Class "C"; 1 in Class "D" and 17 Associates.

During the year to date we lost 6 old members. 1 Class "C" firm that went out of business and another Class "C" firm suspended for nonpayment of dues; also 4 associate members who resigned. In that same period 2 firms found it necessary to change their membership classification, dropping from Class "B", one to Class "C" and the other to Class "D", giving as reasons reduced output.

Up to and including the final meeting of the board of directors on June 18, 1933 there had been approved 44 applications for membership who have paid association dues in the following classes: Active Members—Class "A" 6; Class "B" 11; Class "C" 11; Class "D" 15. Associate Members 1.

That brings our present membership—June 19, 1933 to a total of 77 Active Members and 14 Associates, or a total of 91 members.

The present classification of Active Members is: Class "A" 16; Class "B" 23; Class "C" 21 and Class "D" 17.

In addition to those already enrolled under the banner of our association we have also on hand approved applications of 24 firms, whose full membership

awaits only payment of dues for the balance of 1933. This healthy increase in membership is reassuring, but under present conditions there is no good reason for any firm to deny its cooperation to an organization so ready to unselfishly serve the industry.

With business steadily declining for 3 years, it would be natural to expect reduced association income. You've guessed right, but it must be reported to the credit of the directors that they guessed right many months ago, when sensing reduced income they started trimming expenses and cutting wages without in any way affecting the activities of the organization. Their forethought kept the budget fairly well balanced though expenses exceeded income last year.

The total income June 1, 1932 to May 31, 1933 was \$14,097.07. Expenses for the same period were \$15,032.93. The excess of expenses over income was \$935.69.

As of June 1, 1933 our financial standing was as follows:

\$1,241.31 in closed bank  
\$1,370.42 in checking account  
\$4,000.00 in U. S. Liberty bonds—costing \$4,130.27  
In Old Publicity Fund \$492.35

Because of the importance of the business before this convention, I have purposely kept this report short and concise. However I will take time to thank the officers and members for their kindness and cooperation during the trying years. Adverse business conditions added materially to the difficulties with which they had to contend during the past term. But the cheerful devotion to duty by every officer of the association, every committee member and the whole rank and file of the organization was admirable.

Whatever was accomplished during the past year, and even holding intact this organization to be in a position to grasp the opportunity now presented, was not accomplished automatically. It required the directing head of such able leaders as President Alfonso Gioia and Vice President G. G. Hoskins and the efficient staff of advisers and assistants under them. All due credit then, must be given the enthusiastic leadership of these executives and the loyal faith of the rank and file of the organization.

I am proud of having had the privilege of working with and for so appreciative a group of officials and members during the last year, and in preceding years as well. To me the big satisfaction is that the macaroni industry and the National association now hold a place of highest

respect and distinction, not only among our tradesmen but with all related trades, with government officials and with the public.

With faith in our business and confidence in our organization, let us face the future with greater determination

than ever; adapt ourselves to the new conditions confronting all business and be in a position ever to profit for ourselves, our organization and our industry from any favorable trend that may develop in this era of great and rapid changes.

## Report of Educational Committee

By G. G. Hoskins, Chairman

I have no formal report, partially because I accepted the job as chairman of the Educational Committee just about 2 months ago upon the resignation of Frank Tharinger, who was the former chairman. I was chairman of the Cost Committee, and that job was turned over to John Canepa.

I want to mention just one or two things about the activities of the past year. We found it increasingly hard to get prosecutions or any governmental action whatever on violations of the laws of the states and of the United States, and one strong recommendation that I want to make is that each one of you get acquainted with the board or bureau that has the power to enforce the laws which refer to macaroni products and egg noodles in your state and see if you can't get them to realize the necessity of seeing that those laws are properly enforced.

I want to cite particularly the state of Illinois as having a department that has worked with the manufacturers. They haven't come to the point yet where they've got great results, but they have built up a background of experience in our products that is going to allow them under the new administration to really do something, and it is surprising what can be done if you work with them.

The second thing I want to mention is the

fact that you people in replying to the questionnaire made certain recommendations in regard to egg solids in noodles and the classification of noodles. This was taken to Washington. I represented the manufacturers who returned the questionnaires. It was reviewed before the Committee on Standards and Definitions of the United States Department of Agriculture, and they handed down a decision changing the rules and regulations or the designation of macaroni products. You have all had copies of that I presume.

Just recently they have added certain interpretations to those rules which I think we should go into, but if you look at your program for Tuesday you will find it is almost entirely given over to government representatives. The first one is Judge W. P. Humphrey of the Federal Trade Commission. All you fellows will be here, but you tell your friends that they ought to be in here tomorrow morning promptly to hear that talk because the Federal Trade Commission may have a lot to say about our industry.

In the macaroni standards, Dr. Frishie, chairman of the Committee on Standards, accepted the invitation to come but was forced because of the press of work in Washington to cancel the acceptance, and Dr. Jacobs has obtained another man to take his place who will speak authoritatively on that subject.

## Report of Publicity Committee

By R. B. Brown, Chairman

This is a report made jointly by the Publicity Committee, of which Mr. Vagnino has served as chairman for the year, and the chairman of the Board of Trustees, in which capacity I have served to this time.

You all know from the communication which we addressed to you within the past few weeks that the campaign to educate the American people to consume more macaroni products which was launched in 1930 has been finally concluded, the residue of the fund has been prorated and distributed and this effort which promised so much for the industry is now entirely a matter of history except for one collection case which unfortunately is in the courts.

If the association gets a favorable decision the comparatively small amount of money recovered will, with the approval of the directors, be turned over to the general association account.

For the benefit of those not familiar with the final settlement, the Board of Advertising Trustees reported on hand on June 8, 1932 after the first distribution of the amount remaining in the fund, a balance of \$2,614.01. We received in interest from the Peoples State bank of Indianapolis, from that time until May 1, 1933, \$36.79 making a total of \$2,650.80. Our disbursements during the same period were:

For postage on recipe books.....\$280.96  
For auditing service..... 700.00  
For Federal check tax..... 70

A total of.....\$981.66  
Leaving a balance as of May 1, 1933 of \$1,669.14.

Our letter to subscribers dated May 15 accounted for disbursements from this amount and explained that the final balance remaining was being prorated back to the original sub-

scribers. Checks were mailed at that time to all subscribers for their prorata share and the account at the trustee bank has been closed. All bills and claims against the advertising trustees were met and this is therefore the last report to be made on this matter.

It would be unfortunate however, if from an effort which cost us all so much in time, labor and money we do not draw a lesson or two. I at least am convinced that the idea of cooperative advertising in our industry is sound and that regardless of government supervision, price fixing and trade agreements, there is nothing but continued underconsumption and consequent difficulty ahead of American macaroni manufacturers unless a successful movement based on this idea is undertaken and put through at some time.

We operate in a highly competitive market in which the consumer is continually in an inconceivable number of ways urged to buy and consume various food products. During these last 3 years of economic disturbance and depression it has been conclusively proved that those products which have been adequately advertised were the last and the least to suffer, and I am convinced also that had we had 4

years of cooperative advertising behind us when the trouble started in 1929, or if the campaign which started in 1930 had been allowed to run its course, the history of the macaroni industry the past 3 years would have been an entirely different story.

It seems to me that no better proof of the success of our initial effort could be asked than the continued response to our advertising in the form of requests for recipe books and information. Today over a year and a half since the close of the campaign we are receiving requests for the booklets at the rate of about 500 per month, and since the windup of the campaign we have mailed out from the association office at Braidwood something over 50,000 booklets to consumers, schools, clubs, publicity agencies, etc.

We failed in this first major attempt because we could not quite marshal sufficient courage, imagination and vision to proceed with it in the face of difficulties. It is to be hoped that this will not always be the case. There is a vast undeveloped market for our products to be won only through strong and enlightened joint action.

Now, while advertising as such has ceased there are certain inexpensive and simple ways in which a great deal of benefit may be derived for the industry continually, and Mr. Vagnino and I pass this suggestion on to our successors.

On the positive side, releases of recipes and suggestions of new ways to serve macaroni, spaghetti and egg noodles can be made to the newspapers at little and very often no expense, and some agency should be set up which will effect this.

On the negative side we should constantly be on the alert to combat the foolish and detrimental statements made about our products from time to time. Only recently an agency which purports to analyze the good and bad qualities of products offered for sale to the American people made the statement in one of its public bulletins that macaroni is nutritionally undesirable.

It is easy to imagine the harm which may result from statements of this kind made by persons who have a following because of their knowledge of some subjects, but who are completely ignorant concerning this one.

Another suggestion to the members of the industry at large is to carefully censor their own advertisements. Several brands are using statements in connection with their advertisements which are misleading and sometimes wholly erroneous.

What does it mean for instance, when a manufacturer calls his product "Italian macaroni"? It has been ruled that national or geographical references to a product can be used only where the product actually originates in the country or locality to which reference is made. There can be nothing in the macaroni product of one American manufacturer which makes it "Italian" as differentiated from the product of another manufacturer, and yet this is the inference left with the consumer.

Our products are good, simple, nutritious base foods. They are nothing else, and any statement to the contrary merely undermines the confidence of the consumer in them.

In closing, we urge that the advertising and publicizing of our products and our industry is a subject which should be kept constantly before the members of this industry. We are sure that the members of next year's Publicity Committee, whoever they may be, will welcome suggestions made by the members at any time.

## Report of Welfare Committee

By Henry D. Rossi, Chairman

I will endeavor to outline very briefly what the Welfare Committee has done and explain matters that have come up during the last year. I attended the meeting of Middle West Macaroni Manufacturers at St. Louis and also the Washington meeting. At the St. Louis meeting first the Farm Relief bill was discussed. A vote was taken and passed that on

all existing contracts for macaroni products any processing tax levied on macaroni manufacturers shall be passed on to macaroni buyers as a tax.

Egg Noodle Standard: Chairman Hoskins reported on hearings held in Washington. It was the opinion of all present that use of the term "Noodle" should apply only to egg

noodles with a content of 5.5% egg solids, and so-called plain noodles or water noodles should bear another name. No action was taken.

#### Questionnaire on Costs

The questionnaires collected showed 24 factories reporting at the St. Louis meeting. A tabulation showed very little increase—rather a decrease. According to the report of the macaroni industry in the middle west the sales did not materially increase. Due to the fact that we had about 4 depression years the public would be looking for more economical foods and it was agreed by many present that the increase did not materialize due to poor quality macaroni products that were placed on the American market in the last 3 years.

Many complaints have come into the association about low wages, low prices and poor quality of materials used. None of these 3 factors is beneficial to the industry. Manufacturing merchandise to fit the price does not increase sales. It has a tendency to decrease the sale of any product that is manufactured below standard or of a type that will not be sufficiently high grade to make sales for itself. The industry has always believed in fair wages, good quality and fair prices, however it is high time that we cleaned up our industry and placed it on a higher standard of quality than ever before if we want our industry to prosper.

#### Wages

Many reports have come in that some sections of the United States are not paying a fair wage scale. The association made a complaint to the Labor Bureau at Washington in respect to this matter and we have had a response from the government and at this meeting we are going to have one of the labor representatives talk to us on the labor situation, and I sincerely hope that much good will be accomplished. It is my belief that wage scales should be adjusted to meet conditions in the sections in which the factories are located, but not less than minimum set by agreement.

## Thinking With Roosevelt

By PHIL S. HANNA  
Editor, Chicago Journal of Commerce

On my way to the convention this morning I remarked to a friend that I was coming up to speak to the noodle manufacturers, and he said "Oh! you're going to talk to the brain trust, aren't you?"

"Thinking with Roosevelt" is something that every macaroni manufacturer, every other business man and all voters are now doing. For 20 to 30 years we have been content to "let George do it," spending our time in more entertaining ways. After laws were passed that we didn't like and after practices grew up to which we are opposed, we all suddenly began to think about what could be done about it.

That, in my mind, is what President Roosevelt is thinking about—finding ways out of difficulties for which we are largely responsible by our previous uninterestedness.

There is an important aspect of this situation which I want to suggest to you—not that I want to throw any cold water on this new deal but to keep the perspective right. We have to consider, it seems to me, that when the World War started, continuing for about 14 or 15 years, this country enjoyed a period of artificial prosperity, artificial prices. Every once in awhile someone says, "When we get back to normal" and then they begin to talk about some period between '14 and '29 as normal.

Something tells me that the period of '14 to '29 is not normal and that we are entirely wrong when we attempt in any way to set any basis in that period as something we should count as normal.

During those years the farmers, for instance, helped to create our present troubles by investing in high price lands with the assistance

According to reports many factories are paying good wages, and they should be congratulated. Labor cannot get along without capital, neither can capital get along without labor. Both must come together on a fair basis. Paying a starvation wage and selling goods below cost of production have much to do with our present depression, and it is my wish that this matter be taken up at this meeting.

We are now entering the 30th year of the National Macaroni Manufacturers association. At the beginning it was a small gathering of macaroni manufacturers, and its main purpose of organization was to stabilize our industry. Macaroni products were little known among the American people as a whole. Since then we have had trying times keeping the association together. Only a few of the old guard remain. A few of the old time leaders have left our fold. It is my wish that they will come back. The association for awhile went begging for a leader, however old time timber with new life has made itself heard in the east. One is a fellow that hails from the east. With his smile he has increased membership. Another chap is one that is anxious for the meeting to end in peace so he can enjoy his vacation in the wilds of Canada. Another fellow is working hard at all times to make his Mac longer. From a small length he has now increased it to 400 yards. We have one more hard working chap—good looking smiling face, a favorite among the fair sex, who has all the qualities of a gentleman.

Such is our organization today, and with new changes in our national government we now have an organization through which we can make our wants known and carry on the present business with the government which is most vital at this time. Many manufacturers have responded and come into the association in the last few weeks, and it is my belief that before this convention is over it will represent at least 90% of the industry, and only through a good organization can we make our wants known.

of bankers. Right there were sown the seeds for the trouble the farmers are having today. Any thought that the prices on farm products might go down was pushed aside during those years of prosperity. The farmers wouldn't listen to the banker. The banker tried to help them. He tried so long that he kind of got the idea that maybe world prices would keep up and land would sell for 300 dollars an acre.

I mention that because that is where the trouble started. From '21 up to '29 the farmer was in a pickle and we tried artificial respiration to try and keep him alive, and you know what the government tried to do for him.

That is just a thought or two about the farming end of it; here is the business end of it. Came '21. The rest of the world that had been fighting went back to work. They began to feed themselves. They not only increased the world's supply of food but they began simultaneously to use some of our machinery to apply mass production methods, and in Argentina, for instance, they have more of these binders or combination cutter and binders that they are using than we have in this country, and they applied mass production to farms down there quicker than we did.

Over the world generally they began to imitate our methods of mass production and the result was what? There came this great growth of isolation and nationalism, and the rest of the world began to do what they saw had made us prosperous and began trying to sell as much as possible to everybody else and buying as little from everybody else as they could get away with.

So we virtually built walls around ourselves and we are trying now to retain the farm prices somewhere back there; through the

labor people we are trying to retain the labor rates that were established during that artificial period and many of those organizations are now so strong that they will not give in a cent.

We are just as prosperous making \$5000 a year and spending \$4000 to live on as we are making \$10,000 a year and spending \$8500 or \$9000. But that kind of argument does not appeal to a labor union. It does not appeal to a farmer and it is probably too late to try to educate anybody to that line of thought, so the President has come into the picture and he has seen certain fixed items that can't be changed.

I am giving you my interpretation of it, which may or may not be true, but I think



Phil S. Hanna

our President sees the railroad brotherhoods and he sees we can't change them; he sees all these farmers over there who want a dollar for wheat and he says, "We can't change them." So what will we do? We will just raise everything up to those levels instead of letting everything else fall to its natural level.

Logically there is something to say for it. I don't know of any case in all history that I know anything about where it has ever been done, but the point is that we have gone so far now. The Constitution has been mutilated, our rights taken away; you could write a book on that and be perfectly right but nobody would listen to you.

The other night Major General Johnson said over the radio, "This is a deal where the government will come half way and we are going to do everything possible." A perfectly fine approach, a conciliatory attitude which was very praiseworthy!

A very noted lawyer got up to speak and he cited all the things that I am perfectly conscious of and have been writing about—that we have really given up our rights. We are no longer what we were when the Constitution was instituted and we are no longer what we were 3 months ago. This country has just gone through a revolution in the last 3 months and it is more stupendous than we have any idea of now.

One thing you can depend on in these United States, and I don't care what the history of Europe shows because I think our people have got so much elbow room they will go in for most anything new when they get to understand it—however, when the people as a whole see the thing is going wrong and their liberties have been taken away and things become oppressive, I think we can have every confidence that that measure will be overturned and something else will take its place.

For my part I think right now there isn't much use or much point in spending much time worrying about what we have given up, but heaven knows we have given up pretty nearly everything we've got. Here is the picture: Under the Farm Relief Act the farmer knows he can either come in on the allotment or he can stay out. If he stays out he has to take the world price for wheat and the higher

the processing tax put on wheat the lower the world price. So eventually I presume if the act is continued farmers will all come in.

If they come in and they all take the allotment the amount of allotment for each will be so great in order to accomplish the price raise they are talking about, that in the end he will get about the same number of dollars for his year's work as he got before where he sold more products at a lower price.

I guess the index number is up around 60 now. For a long time 52 was the index number of all farm prices. The index number of all the things the farmer has to buy has been over 100. For convenience let's say the farm index is 50 and the index of what he has to buy is 100. You heard all during the campaign that somebody is trying to discriminate against the farmer—some mythical person is trying to do him an injustice. Well now, when you stop to think of it the farmer is getting 50 for all of his crop. If it is 50c and the crop is in pounds, he is getting 50 times 100%. He is getting a figure of 5000.

Now, suppose you were the United States Steel Corp. and your index number was 100 but you have been running 15% or 20% capacity. What is your gross? All you have to do is multiply it and on the average industry and business have been receiving during this period when the great complaint was made about the farmer, a gross of about 2500 compared with a gross of 5000 for the farmer.

That is just simple, everyday arithmetic. It is the half of the story that the farm relievers don't tell us about. But it is too late to go back into that, as I say. The die is cast and we are going to have this thing.

I fully expect that as they put a tax on wheat the first thing we are going to see is people making potato bread and oats bread and several other kinds of grain bread. Then the secretary has the power, if people start to substitute, to put a tax on the substitutes to which the people go.

When we follow that to the logical conclusion we find if they keep taxing the very substitutes that people go to, eventually out there in the open spaces where they think this is a fine thing because they think it hits the other fellow and helps them, they are eventually going to set up little grist mills and going to make their own again. You are going to see little bakeries around in these small towns as we used to see, and without taking your time to follow the chain of logic all the way through, this farm bill will bring the people back to where they were in the gay '90's where we pumped our water and ground our flour for bread and made our shoes and did all those things, because you cannot make water run up hill permanently.

Trying to look at the President's program and interpret it, he has seen some costs up here and he has figured it is much easier to hit them than it is to let deflation go on. I say to you that it doesn't make any difference. We are having a little detour in deflation, which is much pleasanter than going through with deflation, but the sum total of it is that in the end we are going to have deflation and it may be nice and pleasant and we'd be much happier the other way but we are going to arrive at the same destination.

If you want inflation, real currency inflation, to pay for these things with printed money, the provision is in the banking bill. We now have inflation of one sort or another and it hasn't hurt anybody. We could stand quite a little more, but if the people stop making money—and that is the key to government credit; the government is no wealthier than the wealth of its people and its income is no greater than the income of its people—if we do something in order to pay certain fixed wages and accomplish certain fixed things, if you do something that prevents the people making money, the government hasn't got any income.

The real danger of the things is that it will get to a point where all factors work fine except somebody making money. Then the power is there, and if a man other than Mr. Roosevelt happens to be in the chair and if another crowd except his present lieutenants

happens to be in the job and the power is there to print money, we can go the way of Germany just like nobody's business.

My point about this whole thing is, we don't like it but let's put every ounce of energy we've got behind it because it is full of dynamite and there is nothing in any government operation that is more dangerous than an act with openings, with these things to happen that the people go at halfheartedly. If everybody goes into this thing, studies and analyzes it, criticizes it to heart's content, if the people understand it, then we are going to kill it or cure it. It is the misunderstandings that carry on from year to year in this country. The things that people understand are quickly disposed of.

The best example of that in my opinion, is the disposal being made of prohibition in this country. We were kept from understanding that thing for a great many years. Now we are beginning to understand and in the rock-ribbed prohibition state of Indiana you know what has happened.

So Number 1 in thinking with the President in following this thing through is to try and understand it. Open your criticisms and if you have any connection with a newspaper see that it doesn't sit down and just take 100% what is handed it from some government agency, some propagandist. Criticize freely.

Our legislators in a perfectly praiseworthy attempt to try and correct the human element in banking have tried to do it by legislation. Well now, you know you can't do it. They have been trying to do something like that ever since the apple was plucked from the tree away back there, and there isn't any more chance of doing it this time than there was then. Good bankers are made by good customers, and it is going to continue to be that way in the future.

Under the Securities act they have got it so strenuous now that if the industry needs money it is a question of whether there will be enough people willing to take the risks under that bill to go out and raise the money.

Aside from these regulatory measures the keystone of the whole thing is this Industrial Recovery bill. As General Johnson said over the radio, it is the President's own pet measure and he is extremely anxious to have it

succeed and tried out thoroughly. Our first attention has got to be to that.

I want to call your attention in closing to some of the peculiarities of our government. Here is the R. F. C. It says that industry that pays a president or a manager more than \$17,500 can't be loaned any money, and yet another arm of the government is paying its general manager, one of these grain cooperatives, \$50,000 a year. If the government finds it necessary to cut the manager of a business down to \$17,500 where he's got his own money invested in most cases, they ought to demand that the man who hasn't any money invested and is spending our money to help a class should work on the same basis. Yet his salary goes on at \$50,000.

Friends, I just have this feeling about it—I can't repeat it too often: Let's get behind this thing with every assistance we have but let's do it intelligently. Let's not be blind. Let's say, "All right. We don't like it but we are going to give it our best and try it out," and as we do it get busy with our criticism and the spread of understanding.

This is not a finished product we've got now. I am convinced that it will be amended by experience. But the message I'd like to leave with you is that the secret of good government, whether it is good socialistic government or poor capitalistic government or vice versa, the secret of any good government is the interest of the citizens, and what we are going to get out of this will be in proportion to the amount of interest we take in it.

#### Heads Margarine Association

E. P. Kelly, president of the Capital City Products company, Columbus, O. was named president of the National Association of Margarine Manufacturers recently organized. R. D. T. Hollowell was named executive vice president in charge of headquarters in the Mercantile Exchange building in Chicago.

The purpose of the organization is to improve and develop the manufacture of margarine and to increase its use as a food.

## Attractive Exhibit



Though the convention promoters do not advertise an exhibit of any kind as part of the convention attraction, several firms had interesting displays. That of the Rossotti Lithographing Company of New York is shown here.

## A PANEL

### Introductory Remarks by Chairman L. S. Vagnino

We are going to present for your consideration a novel way of discussing problems concerning the distribution of macaroni products. It is known as the Panel Method, and in our particular case may reasonably be called a 4-sided debate.

The subject matter which we are to discuss is the Various Aspects of the Macaroni Market as viewed from the standpoint of:

1. Wholesaler
2. Chain Store Distributer
3. Auto Truck Distributer
4. Retailer

We are indeed fortunate to have with us outstanding representatives of the principal channels of distribution. Never before has it been our privilege to listen to such an array of eminent men who genuinely reflect the views of their respective groups. Each speaker will be allotted 20 minutes to present his case. There will be no rebuttal but the chairman will note the main arguments and comments of each speaker, and will summarize the principal points brought forth by each. No questions are to be asked from the floor.

We all know that distribution is the bottleneck of our industry; that in the final analysis a manufacturer may produce only as much as can be absorbed by distribution. In the hue of prosperity, however, many prominent economists supported the belief that no saturation point existed in the consumption of merchandise. Their argument was this: progress and invention are always finding, first, new uses for the consumption of merchandise, and second, that the consumption of merchandise itself could be increased without limitation through high pressure selling and hypnotic advertising.

On that theory the majority of our industrial concerns began operating at full blast. Production went rampant. Executives gave orders to produce first, and then find ways and means of disposing of output. Macaroni manufacturers were no exception.

## Aspects of the Macaroni Market

### From the Viewpoint of the Voluntary Chains

By J. FRANK GRIMES  
President, Independent Grocers Alliance

It is my opinion that the serious condition business has passed through the past 3 years has been largely caused by 2 main factors: First, disastrous lowering of prices; and second, false economies resulting in destructive unemployment. These factors have had more to do with the weakening of our financial structure than all other causes combined.

It must be clear that good volume business is almost entirely predicated on the buying ability of the overwhelming majority of our people. Agriculture, labor, small business and what we call the white collar workers make up this group.

For years many economists and men high in public office have urged that low prices would bring commodities within the reach of greater numbers and consequently would stimulate production and lead to great employment. To accomplish low prices elimination of waste and standardization of operations were strongly recommended. Any type of operation in both production and distribution that would lower prices to consumers was greatly encouraged.

It is not necessary to go into exhaustive detail showing the types of operations that sprang into existence the past 10 years, all seeking to lower prices and thus capture the consumer market. Suffice it to say that the disastrous competition to have the lowest price led to excesses in business practice that have almost wiped agriculture out as a paying in-

That this false economy disrupted our industrial life is now too pitifully obvious to deny. In our industry, macaroni plants became flooded with finished product, necessitating the use of warehouses to handle the overflow. As a result plant operators discarded long established channels of distribution. Consignments of macaroni were being made under any and all conditions; unethical and destructive practices abounded everywhere. Selling became a helter skelter operation of offer and bid, price haggling, and bargaining under any and every possible condition. We all lost our sense of proportion and balance.

The blame for this demoralized state of affairs became one of buck passing: from distributor to manufacturer, and from manufacturer back to distributor. We all now see the folly of this policy, and I dare say that we are all culpable in a measure.

In this Panel Discussion therefore, it is the purpose and intention of every speaker to present his case in the light in which he sees it. He is privileged to make whatever charges he may desire against any and all other branches of distribution, and offer in his defense such evidence as he can support by fact and reason.

It should be made clear that no personal references are to be made or specific charges directed against any company or organization. We are solely interested in principles, practices, and methods.

From this discussion we hope to crystallize the views of each branch of distribution; give serious consideration to those of merit, and incorporate them in our proposed Code of Fair Competition. We urge each speaker to express his views fearlessly, frankly and with no reservations of any kind.

Our first speaker in this panel will present the case of the wholesale grocer, and it is my pleasure to call on J. Frank Grimes, President of the Independent Grocers Alliance.

Industry, have resulted in terrible unemployment, long hours for those kept at work and an hourly wage rate so low as to practically destroy buying power.

Under the code sponsored during the past 10 years any kind of business that by certain so-called efficiency could eliminate help, lower expense and hurdle distribution costs, thus reaching the consumer with lower prices, was actually held up to public view as a great benefactor for the country at large.

We have seen under this theory the development of unemployment unequalled in business history. We have seen basic prices hammered down to a level unknown within the memory of the present generation. We have seen low prices almost destroy the standard of living and put agriculture in a state of prostration.

We are painfully learning the lesson that efficiency and economy to truly represent what the terms really imply must put more people to work, shorten working hours if such is necessary to keep all employed and actually raise weekly incomes so as to steadily increase the spending capacity instead of lowering it. Prices must be established at a level that will permit farmers, manufacturers and distributors employing the maximum number of people at the highest wages and leave enough profits for sound dividends and adequate taxes.

Obviously those institutions that aim to get

consumer patronage by beating down prices paid to farmers and manufacturers and in addition eliminate employes or work them extraordinarily long hours at pitifully low hourly wage rates do not conform to sound, efficient practices.

This brings us squarely face to face with the price cutting practices is a big job, big enough to require the combined thinking of sound unselfish minds. Price fixing directly may or may not prove an adequate remedy.

I do not wish to appear presumptuous in suggesting the basis for action, and yet unless someone starts the ball rolling and is willing to stand criticism we will continue to waddle around until sheer desperation demands immediate action. So here goes!

In the first place, much consideration should be given to the setting up of manufacturing



J. Frank Grimes

and distribution as 2 distinct functions in industry. It has been clear that many manufacturers have sought to require that distribution sell to the consumer at the lowest possible price in order to obtain volume irrespective of whether distribution could safely handle products at the gross margins suggested. This has led to manufacturers looking with favor on any type of distribution that could operate at some profit on low gross margins. Any distributor who could not match the lowest operating costs of any other has been called wasteful and inefficient.

And yet certain types of distribution which had the lowest cost have reached this point only by great elimination of help, long hours and extremely low wage rates. If all distribution would proceed to adopt the tactics of the one with the lowest cost, the number of people who would be thrown out of work would be appalling and we would see a depression that would make the one we have passed through a gentle summer zephyr by comparison.

The manufacturer should no longer hold up as an example of efficiency nor cater to any type of distribution solely on the basis of low costs of operation when such low costs destroy employment and buying power. Let the manufacturers come up to the threshold of distribution with reasonably uniform prices, with the quantity purchase recognized only to the extent that quantity saves cost of production or saves manufacturer's marketing costs.

Then let us lay down a sound principle of markup for wholesaler and retailer which must be adhered to and then we end the disastrous price cutting.

It is true that the cost of distributing different classes of food products varies considerably. Careful study will enable a reasonable number of classifications based on costs of handling to be set up. Let us for the purpose of illustration agree that 10 classifications would cover the food lines.

Class 1—may be set up so that no wholesaler could under any circumstance sell any item in the group below (and again solely for illustration) a 5% mark up. The retailer would then be obliged to mark up such item 10% over his cost. Any wholesaler or retailer

selling any item in this group below such markup would be considered a price cutter and summarily dealt with.

The basis for the markup should definitely consider—1, adequate employment; 2, maximum working hours; 3, decent wages for the maximum hour week.

Classes 2 to 9 would have a markup rates commensurate with costs of distribution of each class. At once certain types of distribution would state that our cost of doing business is so low we would make too much profit if we used such schedule of markup. They might even contend that the consumer would have to pay higher prices if they were compelled to operate on the markup requirements. If greater profits accrued to such distribution, perhaps this might provide a source of additional revenue for the government to look into.

True, the consumer would pay more but ask any woman buyer this question: "Which would you prefer to pay \$10 for a dress with \$15 in your pocket, or \$3 for the dress with \$1 in your pocket?"

Low prices to the consumer do not mean savings to the consumer. We cannot divorce prices from income!

The markup percentage should be based on replacement costs and before considering quantity discounts. Any distributor could get as much over the minimum markup as the type of service justified. Manufacturers would be free to advertise and cooperate and distribution should control its own basis of markup and under the new law have police power behind them to enforce it.

A meeting of minds between production and distribution along these lines will do more to put the food industry on a sound basis than anything heretofore attempted. On this fair and equitable basis let the best man win. It will not stifle individual initiative; it will not handicap the small business man; it will not handicap big business. The establishment of minimum price markups that provide good employment, reasonable hours and good pay will restore prosperity on a permanent basis and end the warfare between different types of distribution.

If this problem is approached in a spirit of fair dealing, in an unselfish manner, with rightful consideration for all, I see ahead many bright years for the country. Let us end this unsound, destructive price cutting for all time. It has no place in truly American standards.

The independent merchant and wholesaler have employed the greatest number of people per dollar of sale. In this country we might introduce different types of distribution or production that might be efficient to the extent that their methods of efficiency eliminate employment. They might be able to operate so that they could do with one man what another man might do with 5, and as a result they may have a low cost and low prices, but if every industry were to do that we might very easily put 10 to 15 million more people out of work, and let us very carefully question whether that is efficiency or not.

We have in this country the problem of putting people back to work and keeping them at work, and instead of seeking efficiency based on elimination of employment, long hours of work and low wages, until in a certain kind of distribution in the south women are being worked 70 hours a week at 10¢ an hour in these days, then those institutions claim that we are able to sell cheaper and we ought to be able to sell our consumers cheaper irrespective of whether the man who employs 5 clerks can contend with that kind of competition.

In this new picture has got to come a consideration for the individual in business, and those individuals that we now call efficient we may discover are the very factors that kept people at work and have kept prosperity—and when we abandon the theory of good employment and plenty of employment sometimes maybe more employment than we really actually need—when we are going to be spending power in the hands of the people. Money will be free to be spent, and those institutions that are today claiming they are efficient and seek-

ing to have markups made at a low level so that they may sell cheaper, are not American in their thinking and will not help in this re-employment of these millions nor will they stabilize wages.

In our business we have had to compete with buying of retailers, chains, if you please, and in order to meet their methods of buying we have had to set up the machinery to buy cheap. Everybody seems to feel and has felt for 5 or 6 years that the fellow who could get the last 1% from the manufacturers was the cleverest and shrewdest buyer. And the manufacturers have lent themselves to that practice and have been responsible for it because they looked at great big volume orders even if it was below their cost of doing business, and in order to meet that cost and make a little profit they have schemed around to see how they could put a lot of people out of work, how they could reduce wages, what methods they could employ to bring the goods cheaper and cheaper and cheaper to that distributor to make money.

I would like to leave this suggestion to the macaroni manufacturers: I think the macaroni manufacturers ought to get together and set a price on macaroni. Instead of being able to buy macaroni all the way from 50¢ to a dollar all dependent on how shrewd the buyer is or what condition the manufacturer is in, the basis ought to be keeping people employed at good, sound wages.

Maybe there should be a little differential for quality or for quantity, a sound, effective basis for quantity discounts. If distribution in certain of its phases aids in eliminating some of your expense and is able to distribute your products efficiently perhaps there is a basis of some recognition there, but certainly not to the extent that discounts have prevailed in the past. They have been purely rebates, secret rebates, and they have been wrong.

I ask the macaroni manufacturers to look

at our institution from this basis, those that serve us: You come up to us with your right price and then you show us how to sell macaroni products in your organization. You tell the people how they can use more macaroni, why they should do so, and you aid us in the marketing of your product so that we will sell more macaroni than we have ever sold.

You know more about macaroni than we do. You know what its uses are, and in our advertising and merchandising with your cooperation, we can put macaroni in the place where it belongs.

The trouble with the macaroni industry is that you are dominated by a lot of little bit of manufacturers who are hard to control and whose ideas are hard to keep in line. I think that you ought to invent a serum, and whenever one of these little fellows departs from a sound trade practice you should give him a shot of that serum, and when it begins to operate he becomes ossified and stays ossified as long as he thinks that way.

There is a sound basis. I believe this new law is going to offer that sound basis. I believe that we have at last in America got somebody who knows what the word "action" means.

We've got an opportunity in industry. We are out of the bartering stage. We can't go back 25 or 30 years with all these new inventions and new devices and things that have made trade wonderful. We are in a new era in living and in business. Let's fit the new dress to the 1933 model. It is not a great, big, unwieldy model; it is a shapely model.

Let's do business as modern developments instruct us to do and let each industry get its affairs in such a shape that it can enforce good, sound business practices.

I welcome the day gentlemen, when the chain stores and the independents can see eye to eye in a sound, proper method of doing business.

## Aspects of the Macaroni Market

### From the Chain Store Angle

By FRED H. MOSSMAN  
National Tea Company

I speak to you not only from the chain store distributor's point of view but also that of the retail grocer, the wholesale grocer and the manufacturer, for I have served in all of them during my short span of years.

My principal thought is that semolina products could stand a great deal of increase in consumption. My thoughts dwell along the line of having but a small per capita consumption and being a wheat product when we made a much greater consumption when we made practically only a 75% consumption, and bear in mind that during these last 10 years at least dietitians have advised those who are prone to become stout to keep away from white bread!

I have always considered the products made from semolina ideal food, particularly when combined with such other commodities in the food line as make them a wholesome, healthy, average and well balanced diet. Particularly the noodles of your line have made rapid progress, primarily because there has been a real good job made of pushing them, and above all educating the consuming public.

That is not the case today among the American people with spaghetti and macaroni though I feel it can be accomplished if consistently and persistently tackled. I believe that collectively, by the manufacturers, the consuming public can be greatly educated in the use of these products, much more than they have been, with all due respect to your efforts in that direction.

I am speaking now after discussion of that subject with the consuming public of my own acquaintance who simply do not know how to properly prepare those products so that they

may be eaten by the family with a relish, and there has been a great deal done to educate them. But it is unquestionably a fact from the viewpoint of the distributor who contacts the consumer that that job has not been completed.

I would say that one thought that occurred to me is that a slogan properly worded, such as "Say it with Flowers," although that of course is not appropriate might be used such as "Build with Semolina Products" or something along that line might be very helpful.

If the public came to realize the fact that vigor and health exist in semolina products particularly for their growing children; that the article lends itself readily as a combination food with others containing the products that they so greatly require, they are bound to insist on it being eaten within their family circle.

I am not sufficiently versed with the origin of spaghetti and macaroni but the Italians unquestionably always associate them with a fine, palatable cheese, properly cured and developed, properly made to begin with. In this country cheese is available at terrific prices, and regardless of the thought that has been expressed before about price that price makes no difference in consumption. I am one who feels that price positively does make a difference. Your Gruyere, your Romano and your Parmesan cheeses are at prices that make the average consumer or housewife shrink from the purchase of to combine with macaroni and spaghetti.

The result is they will buy a cheese that is not adapted and not practical for use with your product.

I would advocate going so far even, as to develop the production of that cheese right

here in America, and I have no doubt that it can be done regardless of the expressed thoughts of some that that would be impractical.

Speaking for the distributor as a whole, the wholesaler, the retailer, the independent and chain, they will unquestionably cooperate with you in bringing about the full effect of any campaign that you may undertake. The distributor is interested in greater sales of any product that will bring a reasonable profit and a satisfaction from his consuming trade, and you can rely upon the wholehearted cooperation of all of them on any consistent plan that you may adopt.

My experience is that to establish or introduce a new brand of macaroni and spaghetti is one of the most difficult undertakings in the distribution field. I attribute that primarily to the fact that for years in my earlier experience macaroni and spaghetti were produced and put on this market not really fit to create a palatable dish or one that would have a comeback, and you've got to have a comeback in any food product in order to develop great consuming volume.

I have stated that it must be profitable. Price cutting as such has been a fault of the distributor from the time that I first worked in a grocery store at the age of 11 years. It has been a fault by the wholesaler because they also have been guilty of extreme price cutting, and it is the fault today not only of chains but of independent retailers and of wholesalers. It should be cured.

On the other hand I am firm in the belief that an article that can be sold to the consumer at a price so that the article will bear favorably on an economic basis from a food standpoint with other commodities of a similar nature—and when I make that statement I have in mind the consumers of the working people class, primarily, and they are, as we all know, the big bulk of the consumers—if we can bring that article to them where it has brought about a reasonable profit without any extreme costs of distribution, consumption is bound to step up, particularly after the proper educational program has brought the advantages of the commodity to the consumer.

As chain store distributors we are just as anxious to fight extreme price cutting, cost and below or even cost plus (plus the reasonable cost of distribution) as any other distributor in existence. That may sound strange to you because propaganda has brought to you the story that we are guilty of extreme price cutting and everybody else is absolutely not doing it. You needn't go far. You needn't take my word for it. You can just make an analysis, as I have done from time to time and as I have done within the last 10 days, of who is cutting your product. The story will tell you the facts and the truth.

There is another big, important angle to creating a greater consumption of any commodity in the food line and that is the distribution of the article in a fresh state. That holds good with any commodity, because even if the article itself doesn't deteriorate rapidly, soiled packages, shelf worn articles, are bound to have a detrimental effect on the consumption of that commodity.

I am sure that with your cooperation the retail merchant and distributor will do his utmost if you point out to him the importance of distributing your article fresh to see that it is sold fresh.

I do not intend to say a great deal about the controversy of the propaganda against chain store distribution. I cannot help but feel after all, after what has been said over a period of the last 8 or 10 years along that line, that most of you have given thought to that question yourself and that you have come to the conclusion that the chain store organization cannot be guilty of even a small fraction of that which has been charged against it which, as you perhaps know, included the creation of the depression of 1929. We all know how many angles have contributed to that fact.

Chain stores have been accused of working their help long hours; for the last 5 years I have heard that personally at the table or over the radio some 50 or 60 times. You needn't go far to find out for yourselves whose stores

are kept open longest and who are working longest in food distribution.

When it comes to the payment of reasonable wages, when we entrust our stock of merchandise, the conduct of our business in a respective store and the moneys that are collected over the counter, into the hands of an individual, he must have the qualification to carry that through, and in order to buy qualification in an employe you must pay the proper price for it just as you must pay a proper price for quality merchandise.

We would not think of getting down to a basis that we have been accused of being down to from time to time, or any of the practices and the insistence on part of our help doing more than a reasonable day's work, because in the last analysis if we are unreasonable with our help, if we hold them down to a wage that is not comparable with that paid in a similar location, in the first place they wouldn't stay with us and in the second place if they did stay with us they'd see to it that they get more in order to equalize their income. And they have ample opportunity to do it.

## Aspects of the Macaroni Market

From the Angle of the Store to Store Distributer

By EDWARD W. ROSENHEIM

President, National Food Distributors Association

At the outset let me say that because of existing conditions in the macaroni industry and the basic nature of those products, we as distributors of perishable and semiperishable food products have never considered ourselves as properly qualified to distribute store to store macaroni and spaghetti.

A couple of years ago I was privileged to speak before the American Institute of Meat



E. W. Rosenheim

packers. They were seriously considering putting on fleets of trucks to carry their products direct to the retailer. I came out forcibly with a statement that nonperishable, low margin shelf goods had no place and never would have a place on the trucks of store service distributors.

Being in the food business you probably have noted the development and growth in stability of the people forming our organization. I don't need to go back over a whole lot of history in that direction—how 10 or 12 years ago there were a few straggling one-wagon men peddling cheese to retail grocery stores. At that time the bulk of the product was still sold through the wholesale grocer.

There has been a progressive development along that line. We are still an infant industry it is true, in comparison with the legitimate old line wholesaler, but we feel that we have today come into a definite place in the sun. There is a definite place for us as far as your

I am mentioning that only to illustrate that many of the charges are inconsistent, in addition to being not based on facts.

I'd like to say further that of all the charges that have been made against chain store distribution, there isn't a single one that has not a truthful, logical answer of fact—one that you as business men will understand clearly; and while the time won't permit me to go into them here and while you perhaps on a warm day wouldn't even want to listen to them, I'd be only too pleased to listen to them, I'd be only too pleased to either have you interview me at any time or correspond with me and I will be frank and fearless in answering your questions.

But I didn't come here for that purpose. I came here with an idea that we collectively, operating in one direction, could increase the products that are made from semolina. I will repeat before closing that a wholehearted cooperative plan worked out between you, the manufacturers, and the distributors, regardless of whether they be independent, wholesale or chain, will create an increase that will be remarkable if it is persisted in and cooperated in properly.

That sort of an organization that will sub-jug to a few well-selected men you can and should do business with. The concern that will not properly handle your goods is the concern that indiscriminately throws them out of their own warehouse to any wagon man who comes in there and after he has bought it, it is his and goodness knows what he does with it or what kind of a price he gets for it.

The second big thing that I would urge on you, if you wish to perfect this tie up on noodles with truck distributors, is for goodness' sake not to fall into the habit of error that exists today in so many organizations, so many industries.

A few weeks ago the mayonnaise manufacturers were told that if instead of their salesmen sitting in their offices in Chicago and New York or New Jersey or wherever it may be, and sending out wordy epistles to their distributors all over the territory, first to secure them, secondly to follow up with these wonderful punch-up letters instilling pep and energy into the distributor and telling him to "go out and get it, Jack, because we expect a 50% increase from you in the next 60 days"—instead of doing that if they would camp on that man's trail in person, go into his warehouse at stated intervals, go out on his trucks with him or his salesmen, get first hand knowledge of the troubles and the situations that exist in that territory, their business would be more efficiently and properly built in far greater measure.

It is perfectly all right to send follow-up letters suggesting and urging stronger sales and also asking the distributor how he is carrying your merchandise, whether his warehouse is damp, whether the goods are jostled around much on the trucks, whether he is sure that none of his men is punching holes in competitors' cellophane bags of noodles so that the noodles will run out, but believe me gentlemen, unless you yourselves or your salesmen with power and vision and intelligence works with the distributor personally at odd intervals when he doesn't expect you, your are not going to get anywhere in the distribution of noodles.

In the last analysis we feel that the logical outlet for egg noodles packed in cellophane, which are by their very nature and character counter merchandise, the logical hookup, is with the service distributor who calls twice a week as a rule, sees that the store is supplied with small quickly moving stocks of clean merchandise, sees that the stock is dressed up, is well dusted, is at all times salable—we believe that if you will cooperate with our members, with the better truck distributors of America, to that extent you will have a greater degree of success attending your efforts.

As a final example of what I have in mind in regard to this cooperation let me cite you the example of a manufacturer of one particular package, cheese, in the United States, not one of the big group of manufacturers. This manufacturer makes nothing but one particular brand of cheese. He has exclusive distributors in all parts of the United States,

over to 15 or 20 or 40 single truck men without any idea of trying to pin responsibility on those men as to the resale price or the method of handling that product of yours, instead of doing that I would urge you most strongly that in every territory you select a substantial, well organized distributor who will buy from you direct and who has his own fleet or sufficient number of trucks out in the territory to properly cover that trade.

There is this sort of exception: There are organizations in every city of integrity of undeniable merit who we will say have not enough vehicles out to cover the territory 100%. They are covering the best stores or they are geographically covering a certain section of the city. Go to that distributor and ask him to job your product on a subjobbing basis to one or two or a handful of men whom he will personally select, whom he knows will take the products out and handle them carefully.

The product will be warehoused in your warehouse and not in his own home. He will hold up the price because you are watching it. You have your finger on the pulse of the situation.

Now why should I interest myself in selling macaroni or spaghetti if it is not going to return me anything, not even enough to compensate my expenses?

So for that reason we do just like the rest of them do—we use it for a foothold. If I can't sell it right down at my cost or less than cost and get someone to come in for it, I may just as well leave it off of my bill of fare. So for that reason I think, gentlemen, you haven't gotten much cooperation.

The report we got last week on this Recovery Act has had a good deal to do with what I would have said here today. We don't need to get out and quarrel. The best thing for us to do today is take off our coats and roll up our sleeves and go to work like a group that is working for each other. That is what we need today more than anything else—work for each other. We've got to get down to this system of supplying employment and profit for other people as well as for ourselves.

We have been buying cheap, cheap, CHEAP until we have to sell cheap, cheap, CHEAP, and we haven't got anything for ourselves and everybody else in the circle is doing the same thing. Now in this Recovery Act, as I understand it, this thing is going to be changed. We are not going to be price cutters or price enemies or anything of that sort; we are going to get out and apply ourselves to business and buy our goods in the right channels through which we should buy them. The manufacturer should sell his goods to a wholesaler; a wholesaler to the retailer; and the retailer to the consumer.

The manufacturers have chiseled, the wholesalers have chiseled and we have all had to chisel in order to keep in the ring. Now when we get down to some reasonable, sensible system of doing business and using some honest method in business, we are all going to have a little profit left, and that is what we are all working for. That is what we pay our rent with. That is what we pay our employees with and that is what we live on.

We have been in the same community with these other distributing organizations. I haven't any particular prejudice against them although they have stepped on my feet lots of times. I can't wear one on each foot; I have to have them free so that I can walk around, but it was said in this hotel several years ago that the chain stores should not go into competition with themselves and I don't think I am mistaken that that is a fact. They are competing with themselves more than they are with us because they've got every bit of business away from us that they can possibly get. Now if they take business away from anyone, they've got to take it from themselves or their similar organizations.

Your merchandise is put into those places and into our places the same way. If we don't sell it at cost or less we don't sell it, and when you have to sell it to me at cost you've got to sell it to somebody else at

but in addition he has territorial managers of the highest order—high paid, intelligent, efficient individuals who get into these territories periodically and live with the distributors, and let me tell you that this product which we happen to handle has shown me the

greatest evidence that I have known in my 15 years of truck distribution, of the results to be obtained by this immediate and personal contact between a well qualified manufacturer's representative and the distributor for their mutual good.

## Aspects of the Macaroni Market

From the Retailer's Angle

By P. G. RAPP  
Rapp Brothers

Having listened to speakers preceding me in the Panel, it seems to me that they have about the same idea that I have in reference to the distribution of food products. As I understand it, you are not interested in anything but macaroni and spaghetti and noodles. I will try and keep to that as closely as possible.

The individual retailers in general have put no effort in the past 15 years back of macaroni and spaghetti because there was no return for it. The only way I can sell macaroni or spaghetti is by selling it at my cost.

Now why should I interest myself in selling macaroni or spaghetti if it is not going to return me anything, not even enough to compensate my expenses?

So for that reason we do just like the rest of them do—we use it for a foothold. If I can't sell it right down at my cost or less than cost and get someone to come in for it, I may just as well leave it off of my bill of fare. So for that reason I think, gentlemen, you haven't gotten much cooperation.

The report we got last week on this Recovery Act has had a good deal to do with what I would have said here today. We don't need to get out and quarrel. The best thing for us to do today is take off our coats and roll up our sleeves and go to work like a group that is working for each other. That is what we need today more than anything else—work for each other. We've got to get down to this system of supplying employment and profit for other people as well as for ourselves.

We have been buying cheap, cheap, CHEAP until we have to sell cheap, cheap, CHEAP, and we haven't got anything for ourselves and everybody else in the circle is doing the same thing. Now in this Recovery Act, as I understand it, this thing is going to be changed. We are not going to be price cutters or price enemies or anything of that sort; we are going to get out and apply ourselves to business and buy our goods in the right channels through which we should buy them. The manufacturer should sell his goods to a wholesaler; a wholesaler to the retailer; and the retailer to the consumer.

The manufacturers have chiseled, the wholesalers have chiseled and we have all had to chisel in order to keep in the ring. Now when we get down to some reasonable, sensible system of doing business and using some honest method in business, we are all going to have a little profit left, and that is what we are all working for. That is what we pay our rent with. That is what we pay our employees with and that is what we live on.

We have been in the same community with these other distributing organizations. I haven't any particular prejudice against them although they have stepped on my feet lots of times. I can't wear one on each foot; I have to have them free so that I can walk around, but it was said in this hotel several years ago that the chain stores should not go into competition with themselves and I don't think I am mistaken that that is a fact. They are competing with themselves more than they are with us because they've got every bit of business away from us that they can possibly get. Now if they take business away from anyone, they've got to take it from themselves or their similar organizations.

Your merchandise is put into those places and into our places the same way. If we don't sell it at cost or less we don't sell it, and when you have to sell it to me at cost you've got to sell it to somebody else at

cost and you don't have any profit left. Profit is what you are all aiming for. We've all got to get together now and work out some way of giving each other a profit. A reasonable re-sale price has got to be established and it's up to all of us to get together and agree on something. It means the manufacturer, the wholesaler and the retailer. The consumer, if he's got the money to buy with, will buy.

You have found out that cutting the price down to cost and less than cost hasn't been a successful transaction. If you can get a profit on your goods and get enough dealers interested, so they will try to sell it, you will get more sales. I wouldn't ask one of my men to ask anyone to buy a package of macaroni or spaghetti because it doesn't yield me anything. They don't get anything from it to pay for their salaries. I am going to get them to sell something that carries a profit with it and I think you will find that that is general throughout the rank and file of dealers.

The only time that we sell any macaroni is when we have it on sale at an unprofitable re-sale price.

We have lots of occasions to talk about different systems of distribution, etc., but I don't think it is proper at this time. I believe that all of these things will be taken care of in the near future by the Recovery Act and if we can forget those things at the present time I think it is just as well for us to do so.

I don't know whether you have any salesmen in your audience here today, but I am going to make a few remarks in reference to a salesman calling on an individual. I handle three kinds of macaroni in our stores.—Foulds, Red Cross and Creamettes. That is all we handle. It is an unprofitable item. Why should I handle twenty-five different brands? We have at least twenty-five different manufacturers' salesmen calling on us trying to sell us. Not only are you wasting your time and your men's time but you are taking up our time by calling in and attempting to sell us.

There isn't anyone in the retail business who can buy everything that is manufactured or who can sell everything that is offered to him for sale, and if he doesn't use a little discretion and draw the line somewhere, he is going to buy himself out of business.

Buying yourself out of business is detrimental to the manufacturer and the wholesaler as well as to the other people in the retail business, because every time someone loses a dollar or ten dollars or a hundred dollars, someone else is going to make it up and I don't think the trade should be taxed with other people's failures.

Selling a lot of goods to people that they can't dispose of isn't doing anyone any good.

I know there are a lot of people who don't like me because when I say "No" I usually mean it. A salesman comes in and tries to sell me something. I don't buy. He goes out. He doesn't feel very kindly toward me, but I don't care. I am not trying to run your factory. I am not trying to run a wholesaler's business. I am just trying to run my own business the way I see fit. I have been at it nearly thirty years. If I were wrong, I'd have been out of business a long time ago.

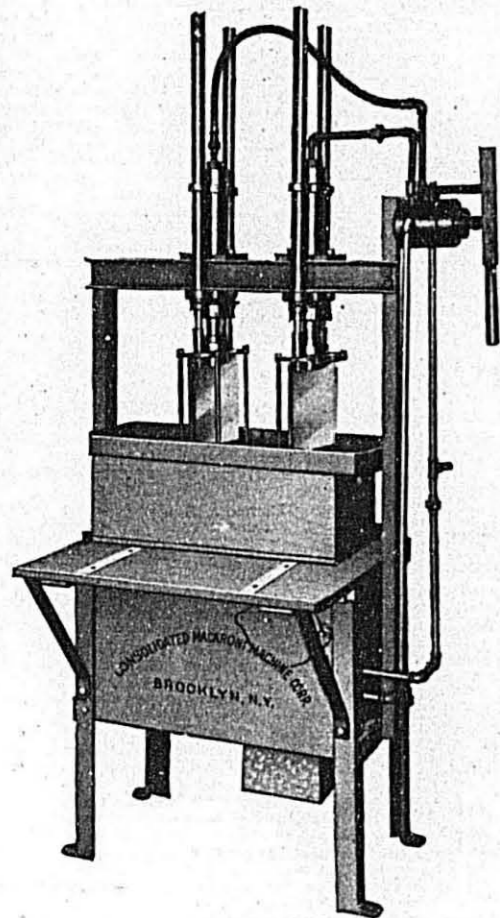
I buy what I can sell. I get stuck once in a while, like anybody else, but when I find I'm stuck, if I can't sell it for some kind of a price I take it over to the incinerator and I get it out of my sight and forget about it because the quicker you get that off your mind the better off you are. If you have any bonds that are no good, if you burn them up you

## Consolidated Macaroni Machine Corporation

FORMERLY

Cevasco, Cavagnaro & Ambrette, Inc.  
I. DeFrancisci & Son

*Designers and Builders of High Grade Macaroni Machinery*



CUTTER FOR PACKAGE MACARONI

Are your manufacturing costs as low as they should be? If not, you are probably using machines which should have been consigned to the junk heap long ago. To meet competition, your equipment must be modern and up to date. Now is the time to make that change. Let us figure on your needs.

**HYDRAULIC PRESSES**

**DOUGH KNEADERS**

**DOUGH MIXERS**

**DRYING MACHINES**

**MACARONI CUTTERS**

**DIE CLEANERS**

Again we come to the front with Something New, Something Different, Something Better. Introducing to the trade the Consolidated Preliminary Drying Machine and the Consolidated Hydraulic Cutter for Package Spaghetti and Macaroni. Both illustrated herewith. Send for descriptive matter.

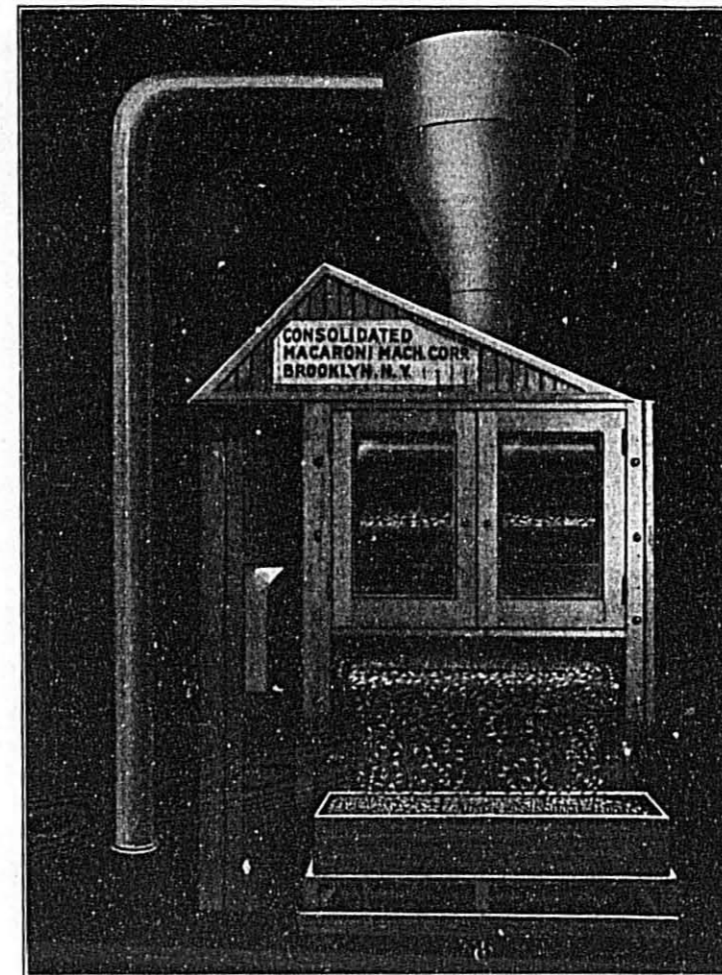
156-166 Sixth Street **BROOKLYN, N. Y., U.S.A.** 159-171 Seventh Street  
Address all communications to 156 Sixth Street

## Consolidated Macaroni Machine Corporation

FORMERLY

Cevasco, Cavagnaro & Ambrette, Inc.  
I. DeFrancisci & Son

*Designers and Builders of High Grade Macaroni Machinery*



PRELIMINARY DRYING MACHINE FOR SHORT CUT MACARONI

The Consolidated Macaroni Machine Corporation, as its name implies, devotes its entire time and energy exclusively to the designing and construction of Alimentary Paste Machinery. Its personnel has grown up with the Macaroni industry. It has specialized in this line for the past 25 years and during that period has originated and introduced many features of importance to the industry. In the future, as in the past, it will continue to lead and to live up to its motto—

**“We Do Not Build All the Macaroni Machinery, But We Build the Best”**

156-166 Sixth Street **BROOKLYN, N. Y., U.S.A.** 159-171 Seventh Street  
Address all communications to 156 Sixth Street

will feel better two weeks from now than you will if you keep the bonds.

That is the way I feel about old merchandise. We can't please everyone who comes into our store or every salesman who comes into our store or every manufacturer who calls on us.

You will go into a lot of stores and you will find every brand that ever was made on the shelves. In cases like that some merchandise is bound to be sold.

What we are going to need in the future is a little more cooperation and a little more salesmanship instead of price cutting.

I think that applies to the large organizations that are in the retail business as well as it does to us.

The idea of taking it off of one commodity and putting it on another is unjust to the commodity you put it on and you are not benefiting the one that you sell at cost.

In closing, I think I am safe in saying that the gentleman we have representing us in Washington today knows more about your business and my business than you or I do.

We have the best posted man leading this nation today that there is in the world, and you don't need to be afraid to get in the band wagon and ride along and support the proposition that is coming up.

There is just one remedy and that is that we all cooperate with our administration and get the best out of it.

Closing Remarks by Chairman Vagnino

We are greatly indebted to these men who have presented us with an enlightened discussion. Their ideas on sound business practices do not differ in principle, but only in application.

List of Registrants at 30th Annual Convention

June 19-21, 1933, Chicago, Illinois

Table listing registrants with names, company names, and locations. Includes names like Richard Alghini, A. S. Vagnino, N. M. Onofrio, etc.

ing that any constructive policy in the distribution of macaroni products must start with a due recognition of the resulting economic progress and also of its apparently permanent character.

I venture to say that the basic call of the times is manifest. The times call first for the unqualified preservation of the fundamental right of an equal opportunity in trade which is at the bottom of our economic order.

Table listing registrants with names, company names, and locations. Includes names like E. Ronzoni, H. D. Rossi, N. T. Roth, etc.

ALLIED REGISTRANTS

Table listing allied registrants with names, company names, and locations. Includes names like J. E. Coolbroth, J. F. Dieffenbach, F. R. Prina, etc.

for the strictest adherence to the rule underlying all constructive business, the rule of right and not might, of principle and not force.

interest; is a policy for better products and merchandising; is a policy for building up the whole business of production and distribution to the highest plane of economy, efficiency and service.

Convention Committees

To speed up convention action, President Gioia appointed the following convention committees with suggestion that they perform diligently the duties assigned them and report early in the convention their recommendations.

- Auditing..... A. W. Quiggle, Jos. Pellegrino, Max Kurtz
Publicity..... R. B. Brown, M. J. Donna, B. R. Jacobs
Membership..... A. I. Grass, V. Giatti, F. W. Kreider
Resolutions..... J. H. Diamond, F. Patrono, L. J. Laneri, S. LaRosa, R. V. Golden
Nominations..... Frank L. Zerega, Jos. Freschi, L. M. Skinner, G. Guerrisi, R. V. Golden, G. LaMarca, J. Ravarino

Their respective reports follow:

AUDITOR'S REPORT

We, your auditors, have examined the audit report of the fiscal year ending May 31, 1933 by Wolf and Company and find report very thorough and complete.

We commend the plan of having such audit made annually by certified accountants as fair alike to the organization and to the secretary-treasurer who welcomes such annual checkup.

Arthur W. Quiggle, Chairman
Joseph Pellegrino
Max Kurtz

PUBLICITY

We, your committee on publicity beg leave to report that to the press of the country has been released prepared copy that deals with convention action of a public nature; that to the newspaper and trade journal representatives should go a vote of appreciation.

Respectfully submitted
Robert B. Brown, Chairman
B. R. Jacobs
M. J. Donna

MEMBERSHIP

As chairman of the membership committee that has been active since the adjournment of the Niagara Falls convention, and as chairman of the Membership Committee of this convention, I am pleased to submit this united report.

Following the 1932 convention, your committee through the secretary addressed all nonmembers calling their attention to action that was taken by the conference and asking their cooperation. President Alfonso Gioia did some splendid work by personally contacting nonmembers and Secretary Donna did likewise by mail.

As a result, and with the help of the new government attitude toward business, we are happy to report the admission of 44 new members, as follows:

- Boston Spaghetti Mfg. Co., Boston, Mass.
Brooklyn Macaroni Co., Inc., Brooklyn, N. Y.
Campanella, Favaro & Clavano Mac. Corp., Jersey City, N. J.
P. Cassinelli Macaroni Co., Inc., North Bergen, N. J.
The Chef Bonardi Food Products Co., Inc., Cleveland, O.
Chicago Macaroni Company, Chicago, Ill.
The Creamette Co., Minneapolis, Minn.
Cumberland Macaroni Mfg. Co., Cumberland, Md.
D'Amico Macaroni Co., Newark, N. J.
A. D'Angelo, Avon, New York.
G. D. Del Rossi Co., Inc., Providence, R. I.
DeMartini Macaroni Co., Brooklyn, N. Y.
Fort Worth Macaroni Co., Fort Worth, Tex.
Simone Giordano, Providence, R. I.
Golden Crown Macaroni Co., Trinidad, Cal.
Horowitz Bros. & Margareten, New York, N. Y.
Ideal Macaroni Co., Inc., Cleveland, Ohio.
Independent Macaroni Co., Inc., Mt. Vernon, N. Y.

Indiana Macaroni Co., Indiana, Pa.  
Italian Mercantile Grocery & Mfg. Co., Inc., St. Louis, Mo.  
Jefferson Macaroni Co., Reynoldsville, Pa.  
Keystone Macaroni Mfg. Co., Lebanon, Pa.  
Z. C. Krumm & Son Macaroni Co., Philadelphia, Pa.  
Kurtz Brothers Corp., Philadelphia, Pa.  
V. La Rosa & Son, Inc., Brooklyn, N. Y.  
J. & C. Lo Blue Brothers, Jersey City, N. J.  
Metropolitan Macaroni Co., Inc., Cleveland, O.  
McAlester Macaroni Factory, McAlester, Okla.  
The New Haven Macaroni Co., New Haven, Conn.  
Ohio Macaroni Co., Cleveland, O.  
Frank Pepe Macaroni Mfg. Co., Inc., Waterbury, Conn.  
Philadelphia Macaroni Mfg. Co., Philadelphia, Pa.  
Prociono-Rossi Corp., Auburn, N. Y.  
Quality Macaroni Co., Rochester, N. Y.  
Robilio & Cuneo, Memphis, Tenn.  
Roman Macaroni Co., Inc., Long Island City, N. Y.  
Roth Noodle Company, Pittsburgh, Pa.  
Russo Macaroni Co., Cleveland, O.  
Santoro Bros., Providence, R. I.  
Semolina Macaroni Co., Inc., Shreveport, La.  
Tenderoni, Inc., Joliet, Ill.  
S. Viviano Macaroni Mfg. Co., Carnegie, Pa.  
Rossetti Lithographing Co., Inc., New York, N. Y.

Just before the convening of this conference I again addressed several hundred nonmember firms, and Secretary Donna, as you know kept hammering away in his insistent and productive manner with the result that many firms sent delegates here on which the convention committee worked industriously with the result that the following new members were enrolled during the convention:

Richard Alchini, Chicago, Ill.  
Brookway Macaroni & Supply Co., Brookwayville, Pa.  
Cardinale Macaroni Mfg. Co., Brooklyn, N. Y.  
Vito Costa & Sons, Chicago, Ill.  
G. D'Amico Macaroni Co., Steger, Ill.  
Illinois Macaroni Co., Lockport, Ill.  
Liberty Macaroni Mfg. Co., Buffalo, N. Y.  
Sanacori & Co., Rochester, N. Y.  
United States Macaroni Co., Chicago, Ill.  
Viviano Macaroni Mfg. Co., Chicago, Ill.  
Westchester Macaroni Co., Mt. Vernon, N. Y.  
Wyckoff Macaroni Co., Brooklyn, N. Y.

Prior to and during the convention there were received applications from 20 firms who had not as of June 21, 1933 completed their membership status by the payment of their dues for the balance of 1933 but which will be added to the Membership Roll as and when the Secretary receives their dues checks.

Birmingham Macaroni Co., Birmingham, Ala.  
W. Boehm Company, Pittsburgh, Pa.  
A. Bologna & Co., New Orleans, La.  
F. Dantoni & Co., New Orleans, La.  
Falls Macaroni Co., Niagara Falls, N. Y.  
Genesee Macaroni Co., Rochester, N. Y.  
Giancanti Macaroni Corp., Brooklyn, N. Y.  
L. Mangano & Co., New Orleans, La.  
Manhattan Macaroni Co., Brooklyn, N. Y.  
The Megs Company, Harrisburg, Pa.  
Messana Macaroni Co., Brooklyn, N. Y.  
National Food Products, Inc., New Orleans, La.  
National Macaroni Corp., Dallas, Texas.  
National Macaroni Mfg. Co., Passaic, N. J.  
Niagara Macaroni Mfg. Co., Buffalo, N. Y.  
Refined Macaroni Co., Brooklyn, N. Y.  
A. Russo & Co., Chicago, Ill.  
Taormino Brothers, New Orleans, La.  
United Macaroni Co., Mt. Vernon, N. Y.  
Viviano Macaroni Mfg. Co., St. Louis, Mo.

It has been a pleasure to work among the macaroni and noodle manufacturers of the country in this good cause, and now that our membership has neared the 100 mark, your committee recommends that nothing be left undone to attract to the Association every worthwhile manufacturer in the country, thus adding strength to our desires and demands.

Respectfully submitted

A. Irving Grass, Chairman  
V. Giatti  
F. W. Kreider

#### NOMINATIONS

We, your committee on nominations, after a careful study of our membership roll, and considerate of the need of having all sections of the country and all groups fully represented on the board of directors, insofar as that was possible with the limited number to be selected this year, agree to recommend the nomination and election of the following as directors:

For the term of three years to June 1936:  
John V. Canepa, John B. Canepa Co., Chicago, Ill.  
V. Giatti, The De Martini Macaroni Co., Brooklyn, N. Y.  
G. Guerrisi, Keystone Macaroni Mfg. Co., Lebanon, Pa.  
Edw. Z. Vermeylen, A. Zerega's Sons, Inc., Brooklyn, N. Y.

To fill a vacancy to June 1935:  
Louis S. Vagnino, American Beauty Macaroni Co., St. Louis, Mo.

Respectfully submitted  
Frank L. Zerega, Chairman  
Joseph Freschi  
L. M. Skinner  
G. Guerrisi  
R. V. Golden  
G. La Marca  
John Ravarino

#### RESOLUTIONS

We, your committee, recommend the adoption of the following resolutions as expressive of our sentiments and opinions that generally prevail in this conference.

##### Our Retiring President

WHEREAS, President Alfonso Gioia accepted the office of president at the Niagara Falls convention 1932 only after much insistence on the part of his fellow directors, urging that his acceptance would help solidify all groups behind the National Association, and

WHEREAS, President Gioia pledged to do his utmost to have only one association more strongly supported and because he has faithfully kept his pledge and impartially served as president of the association for the past term, therefore be it

RESOLVED that the members, singly and collectively express their appreciation of service well rendered and extend to him our personal thanks.

##### OUR SPEAKERS

WHEREAS, speakers in high position in governmental circles and able representatives of closely related business activities have given much thought and time to the preparation of splendid messages delivered during the convention, therefore be it

RESOLVED that to each and every one of them be expressed our appreciation and thanks.

##### ASSOCIATION EMPLOYEES

WHEREAS, the employees of this association have ably carried on their respective duties under most trying circumstances which resulted from generally depressed business conditions, therefore be it

RESOLVED that to our Secretary-Treasurer M. J. Donna and to our Washington Representative B. R. Jacobs, we extend our thanks and approval of good work conscientiously performed.

**Tuesday, June 20**

## New Attitude of Government Toward Business

By JOHN N. VAN DER VRIES  
Manager Central Division  
Chamber of Commerce of the United States

The Industrial Recovery Act presents to the business men of America many opportunities and at the same time many responsibilities. That we may thoroughly understand it, it is necessary that we review briefly some of the steps and conditions which have brought it about.

The establishment of rules of the game has been uppermost in the minds of forward looking men ever since the time when the first attempts were made to bring order out of chaos in the marts of trade. Especially has the necessity for such rules increased since the industrial revolution of the previous century and the rise of modern mass production through the development of modern machinery. When due to the misbehavior of a small percentage of business there arose the necessity for the passage of the various antitrust acts, there followed a period of hesitation and fear which caused a cessation in the steps toward cooperative endeavors for improving trade standards. The expansion of the trade association movement, however, since the turn

of the century and especially since war days, has again made this subject one of first import.

A decade ago great emphasis was placed on codes of ethics. Beautifully embossed and framed they presented a fine appearance on the walls of the offices of those who had glibly voted for their adoption and often immediately forgot them under the competitive stress which was existing. This was followed by the trade practice conference movement which had its inception in 1919 when the first Trade Practice Conference was held by the Federal Trade Commission in Omaha, Neb. At this a sincere attempt was made to formulate rules in 2 groups, Group I—those which if accepted by the Federal Trade Commission, are intended to define, denounce and eliminate those practices which are illegal, and Group II—those which, while not in and of themselves illegal, are nevertheless considered by the trade as harmful, wasteful and otherwise bad. Although Group II were not and have not been enforceable under existing statutes,

#### HOTEL

WHEREAS, Wm. M. Dewey, managing director of the Edgewater Beach hotel and his efficient staff left nothing undone to make us feel at home during our very important convention, therefore be it

RESOLVED that to Mr. Dewey and to all who aided him there be extended a unanimous vote of appreciation.

#### MACARONI JOURNAL

WHEREAS, the MACARONI JOURNAL continues to be an able spokesman for the macaroni manufacturing industry of America and

WHEREAS, it is the official organ of the National Macaroni Manufacturers' association broadcasting its message to the trade far and wide, and

WHEREAS, it covers 100% the macaroni and noodle manufacturing industry of America and all interested trades and

WHEREAS, it circulates extensively into foreign countries carrying to manufacturers there our message of good will and

WHEREAS, the publishers have carefully printed and our secretary-treasurer carefully edited each issue to make it presentable and readable, therefore be it

RESOLVED that we commend our official organ to all our industry, recommend it as an invaluable medium of publicity for all manufacturers of macaroni machinery, equipment and supplies and urge that macaroni manufacturers everywhere recommend the use of the advertising columns judiciously.

#### DIRECTORS AND EXECUTIVE COMMITTEE

WHEREAS, the directors and executive committee members of this association have worked faithfully in promoting always the best interests of the association and of the industry during the past year and

WHEREAS, they were particularly active in contacting the government officials in ascertaining possibilities of trade improvement under the Farm Relief Act and the Industry Control Bill, therefore be it

RESOLVED that to each and every director and executive committee member there be voted the unanimous thanks of this convention.

Respectfully submitted

J. H. Diamond, Chairman  
F. Patrone  
L. J. Laneri  
S. LaRosa  
R. V. Golden

nevertheless as the trade practice conference idea spread such conferences did prove to be of great value to many industries. They did not serve, however, the purpose of curbing that small minority which in some industries by making use of bad business practices forced others to do likewise, to the detriment of all. The trade practice conference idea had a great boost in 1926 when the Federal Trade Commission announced what was referred to as a new policy. Nearly 150 industries through their trade associations held trade practice conferences, but it developed again that the teeth necessary to proper enforcement were lacking. Nevertheless the work accomplished by these groups will be of inestimable value when such groups carry out the provisions of the Industrial Recovery Act.

More and more as the decade from 1920 to 1929 passed on it became the conclusion of farsighted business men that the wide open, oftentimes cutthroat competition existing in American business, due to the inflated productive capacity brought about by the war and added to in subsequent years, was leading this country to an inevitable collapse. The absolute lack of balance between production and consumption and the impossibility of establishing such a balance under existing statutes were producing chaotic conditions which were a material element in the causes for the 1929 collapse. Attempts to amend the antitrust laws as had been advocated by business for a number of years, met with objection not only from some groups other than business—often ill advised—but even from various groups of business that felt that letting down the bars would lead, as they thought, to other and more serious conditions.

With the entire world thrown out of balance, and following our own collapse in 1929, solutions of every type looking toward business recovery were offered, and many of them tried and proved worthless. Panaceas were constantly being prescribed for business as well as for agriculture and proved just as unsound and worthless. More and more there became evident a definite conviction that there must be established a balance between production and consumption. Economic planning boards with various degrees of participation by government, business, labor, etc., were advocated.

In 1931 a committee of the National Chamber brought in a report which was submitted to referendum and carried by an overwhelming majority as the views of American business, advocating, among other recommendations, that

I. The antitrust laws should be modified so as to make clear that the laws permit agreements increasing the possibilities of keeping production related to consumption.

II. Modification of the antitrust laws should include provision for government supervision in order that agreements which are not in the public interest in stabilization of business operation and employment may be nullified.

III. Business desiring to combine should have opportunity to ascertain from a suitable government authority whether or not the proposed combination will be in violation of the antitrust laws.

IV. The principles of a national economic council should be placed in effect.

V. For each field of business a representative trade association should perform the functions of an economic council.

VI. Aided by increased opportunity for stability of operations each employer should so plan operations as to assure the greatest possible number of employees there will be work for the greatest possible number of weeks in the year.

I am sure that you will agree that whenever there is a great surplus of labor, especially when we are passing through a period of great depression—and the situation of the past 4 years has absolutely proved this—we have always had greatly increased cutthroat competition. This is inevitable. When one man in an industry takes an order at a lower price than his competitor, often much too low, he must—in order to break even—use all the skill he has, cut corners in every way, and this

means cut the wages of the labor which he employs. His competitor, just to keep operating, is compelled to cut his price still further, with corresponding reductions in the various costs, especially labor. So the endless chain is set into motion of lower prices and lower wages, then lower wages and lower prices, etc. The past few years have shown how easy this was of accomplishment, because of the millions clamoring for jobs at any price. The object of the Industrial Recovery Act is to stop this downward tendency and to rightabout face.

As President Harriman of the National Chamber has stated, the time has come to take the brutality of competition out of competition, and also to take out of competition the right to cut wages to a point that will not give a decent American standard of living. It



John N. Van der Vries

has become evident that competition in times of stress seems to breed a kind of commercial cannibal who feeds on his fellows. This will not stop until it is generally accepted that capital is entitled to a fair and reasonable return, and that therefore goods must be sold at a price which will enable the manufacturer to pay a fair price for his raw material, to pay a fair wage to his men and to pay a fair dividend on his investment.

Antitrust laws were rightly enacted to prevent monopoly but they have gone beyond that. They have prevented agreements between parties which would make it possible to stop this cutthroat and deflationary system of competition which has been going on to such an alarmingly increased degree the past few years. And this type of competition can be done away with without eliminating monopoly, statute books the guarantees against monopoly, perturbed when the Black bill establishing rigid maximum hours of labor was introduced into Congress, it is generally believed by the Perkins bill with its minimum wage and other features. The Chamber and other business groups and individuals immediately protested that the rigidity and the almost absolute inflexibility of the plans for the machinery of governmental control as proposed by these bills would absolutely make impossible satisfactory results. It was their abiding conviction that American business, if placed in such governmental straightjackets as proposed by these bills, could not function so as to bring about the desired aims. The position of American business men is best stated by the resolution passed by the Chamber at its annual meeting on May 5, as follows:

#### PROBLEMS OF INDUSTRY

Those who are best equipped to solve the problems of industry are those who themselves are engaged in industry. They can provide measures which are so highly complex industrial system as to afford results beneficial to the public interest and avoid consequences that would follow endeavors from outside to apply arbitrary rules and that would bring widespread detriments, public and private.

For common action that is timely our industries have trade associations through which they can act quickly, or which they can adapt for action. Each trade association representative of its industry or branch, in accordance with its conditions and in conference with the appropriate agency of the govern-

ment, should be permitted to promulgate fair rules for industrial production and distribution, to improve the status of labor, the industries of the nation, and the public welfare.

Federal legislation affording opportunity for this form of self-regulation under government supervision would produce conditions which would assure fair competitive opportunity to each enterprise and permit immediate increase in employment, raise earnings, and free the public from the burdens and detriments it inevitably suffers from the results of destructive competition on the part of the least responsible industrial elements. All enterprise could be held to standards of fair competition properly determined.

At the annual dinner of the Chamber held on the previous evening, President Roosevelt had stated that the existence of unfair methods of competition in many places, methods of cutthroat prices, methods that have led to a large measure of chaos, must be rectified, and that order must be restored.

Further he stated:

• • • The attainment of that objective depends on your willingness in 2 ways: your willingness to cooperate with one another toward that end, and also your willingness to cooperate with the government.

In almost every industry, as we know, an overwhelming majority of the units of the industry are fully patriotic, are wholly willing to work together to prevent overproduction, to prevent unfair wages, to eliminate improper working conditions.

In this past that we have gone through, success in attaining those objectives has in many cases, in many industries, been prevented by a small minority of the units within the industry itself. I can assure you, the majority of all the units of all the industries, that you will have the cooperation of your government in bringing these minorities to understand that their unfair practices are contrary to the sound public policy of the nation. • • •

As you know, the conferences held in Washington, especially at the time of our annual meeting and subsequent thereto, led to the replacement of the Black bill and the Perkins bill by the Wagner bill. Although there are in the act many items that many business men and groups including the Chamber do not approve, the act on the whole is believed to be a wise and well designed measure that will make it possible to accomplish the desired end. There is no doubt that it will make possible the amendment, at least temporarily of the antitrust acts which have resisted all frontal attacks for years past, but which through this Act are made possible of accomplishment as a byproduct of the other desired aims of the Act.

President Roosevelt at the time of the introduction of the Perkins bill accompanied it with a message in which he stated as follows:

My first request is that the Congress provide for the machinery necessary for a great cooperative movement throughout all industry in order to obtain wide employment, to shorten the working week, to pay a decent wage for the shorter week and to prevent unfair competition and disastrous overproduction.

Employers cannot do this singly or even in organized groups, because such action increases costs and thus permits cutthroat underbidding by selfish competition unwilling to join in such a public spirited endeavor.

One of the great restrictions upon such cooperative efforts up to this time has been our antitrust laws. They were properly designed as the means to cure the great evils of monopolistic price fixing. They should certainly be retained as a permanent assurance that the old evils of unfair competition shall never return. But the public interest will be served if, with the authority and under the guidance of government, private industries are permitted to make agreements and codes insuring fair competition. However, it is necessary, if we thus limit the operation of antitrust laws to their original purpose to provide a rigorous licensing power in order to meet rare cases of noncooperation and abuse. Such a safeguard is indispensable.

#### The Industrial Recovery Act

There is no doubt that the administration considers this act as a companion bill to the Farm Relief act, making possible the success of the latter. For obviously if wages are not raised, if dividends are not resumed, if the purchasing power of the city remains at the present level, the city men cannot pay the higher prices that the farmer rightfully demands for his products.

What then, are the policies prescribed in Title One of the act? They are:

- To remove obstructions to interstate commerce;
- To promote the organization of industry for cooperative action;
- To obtain unity of action of labor and management under governmental supervision;
- To eliminate unfair competitive practices, to reduce unemployment, to improve standards of labor;

(c) To rehabilitate industry and to conserve natural resources.

As Senator Wagner has stated: "The extensive and permanent reemployment of workers at wages on the comfort level of living involves a program of which the first article is the promotion of order in industry by recasting our traditional attitude toward competition. The business competition sanctioned in the past has been blind, ruthless and destructive. We propose to substitute a competition which shall be rational and constructive, which shall be based on full information, and which shall be confined to honorable salesmanship and technological improvements in industry, rather than extending the progressive reductions of the standards of living of working people."

It should be borne in mind constantly that the prime objects of the act are the reemployment of millions of idle workers by shortening hours of work, and establishment of minimum wages, thereby increasing the amount of money in circulation and the corresponding purchasing power of the American people. In the promotion of these objectives there is a frank admission that business cannot stand the increased cost thus brought about unless it can receive a fair and reasonable price for its products. And such a fair price is obtainable only if the antitrust laws are relaxed, and some method of government cooperation is secured that will compel the fair price when once it has been determined.

The act therefore provides that any trade or industrial association may formulate voluntarily a code of fair competition. It may define fair and unfair practices and may provide for exchange of information, cooperative marketing, standardization of products and simplification of processes. Moreover, it is admitted that artificial price levels cannot long be maintained if production is unrestricted, if manufacturers are allowed to produce without any consideration of the demand. For this reason some method of keeping supply in relation to demand must be formulated. A code thus voluntarily established as truly representative of an industry will become effective upon the approval of the President and will then be binding upon the entire trade or industry.

It therefore becomes necessary to perfect the immediate organization of all industry into associations, with any inequitable restrictions on admissions to membership in them eliminated. It is demanded that the associations should be truly representative in the character of memberships. Further, that small representative groups with powers to act and including representatives of dissenting minorities shall be appointed, to the end that upon final enactment of a code there may be immediate submission to government by a trade or industrial association of such code of fair competition. It is further stated in the act that the rights of employees shall be protected through representatives of their own choosing.

Anyone who has participated in a trade practice conference knows that there are numerous details and refinements in any carefully considered trade practice code. Many of such agreements or codes are now drawn up and in such cases the full code may and should be presented to the administrator for his approval. It should, however, be emphasized, in the case of those associations which have not participated in trade practice conferences in the past, that for the present agreements should be limited to the following 4 points:

- (a) Maximum hours per week;
- (b) Minimum wage rates per hour;
- (c) Price agreement, subject to the provision of subdivision (a) of Section 3, "that such code or codes are not designed to promote monopolies or to eliminate or oppress small enterprises."
- (d) Self-enforcement Codes.

If these 4 points are taken care of, the codes will be sufficient for presentation to the governmental authorities. Other controversial matters can be passed over for the present, and when agreements are reached on them, they can then be submitted to those in charge of the enforcement of the act.

So far as maximum hours of work are concerned each industry is expected to limit the hours of work per employee so as to make

work available to more persons. Standard maximum hours of work may vary from 30 to 48 hours per week, based on an average of 32 to 40 hours per week in any 6 months period, depending upon the particular industry and the extent of unemployment therein. Average weekly hours of operation will be determined by the requirements of each industry. Most industries have asked for weekly hours in multiples of eight which is permissible.

**Establishment of Minimum Wage Rates.** The objectives of establishing minimum wage standards are to increase purchasing power of the mass of the people and to bring up to an amount sufficient to establish reasonable standards of living, wages in those industries which have become demoralized.

Standard minimum wages can best be expressed in an hourly rate, assuming an average week of 32 to 40 hours, the resulting product to be sufficient in fact to provide a decent living standard. The minimum wage rate will presumably be adjustable to give weight to differences in cost of living in different localities.

Expressed in dollars per week the foregoing formula may average roughly 15 dollars—a few dollars less or a dollar or two more, depending on local conditions. It will of course be impossible for industries to guarantee any fixed average hours per week; hence the primary concentration on rate per hour on an assumed average hours per week. In consideration of wage rates and earnings there should be expressed recognition of an intention under the act to lift purchasing power in view of the level of increased commodity prices.

**Price Factors:** Readjustment in hours and wages will result in increased costs, and, in many cases where the difference cannot be absorbed, it will result in increased prices. The authorities appear to be interested in prices only to the following extent.

Codes of fair competition should prohibit sales below cost (not average cost in the industry but the costs of each unit), to stabilize conditions within the industry by protecting those units which are willing to cooperate from unfair competition of those who are unwilling to cooperate.

Price agreements which are monopolistic in intention or effect are prohibited under subdivision (a) of Section 3. Trade agreement rules prohibiting sales below cost should also deal with secret rebates, price discrimination and the like.

## The Trade Practice Conference

By HON. W. E. HUMPHREY  
Federal Trade Commissioner, Washington, D. C.

I have been asked to speak upon the Trade Practice Conference as held by the Federal Trade Commission. I shall try to tell you what a trade practice conference is, how it works and what it accomplishes.

The trade practice conference may be defined as a method of cooperation of the commission with an industry as a whole to clean its own house. It gives the industry a chance to achieve decency rather than to have the government thrust decency upon it. This practice has proven the most effective of any plan that the government has ever tried. When an industry shows the necessity for a conference and a sufficient number of the industry request it to cause the commission to believe that it will be a success, it is authorized and one of the commissioners usually presides. The commission never calls a conference of its own motion and never urges the holding of such conference. The industry itself must show the necessity and make the request before a conference will be authorized. The commissioner presides only in a friendly or advisory capacity. He may suggest but never direct. It is a conference of the industry and those composing it may discuss any question they wish and adopt any rules or regulations they desire. These rules do not add to or take from any person participating in the conference in the least degree any right, privilege

**Self-enforcement Codes:** The success of the program contemplated under the Industrial Recovery act depends largely upon the aggressive action by each industry supported by the force of an informed public opinion. Therefore each industry should formulate specific plans for enforcing its own rules and take measures to acquaint the public with respect to the common benefits toward which the entire program of industrial recovery is aimed, and the industry's participation therein.

These are the conditions in brief under which business can proceed to function at once. Other conditions and rulings will be furnished your association by the National Chamber and those of your individuals who desire the same through your association as fast as they are promulgated.

Therefore gentlemen, regardless of the form in which the bill has passed and your approval of all of its provisions, you and your association must act at once. The provisions of the bill affect every concern and every group in the country, whether natural resource industries, manufacturers, wholesalers, retailers or service industries. More people must be put to work. Mass purchasing power must be increased.

The day of laissez faire has gone. Rugged individualism is no longer the watchword. Free and unlimited competition has gone, at least for some time to come. The group rather than the individual is now the unit.

It will be no easy job, probably the hardest that you as an association have ever tackled. You will need patience and forbearance, and must definitely and immediately accept the basic fact that your industry is greater than any individual in it. For years we have chafed under governmental restrictions. At last, in response to our desires these will now be removed. We have told government that we in industry can handle the problems before us if given a freer hand than heretofore better than can government itself attempting to do it independently. Government is accepting our statements at face value and will give us the opportunity to prove their validity. A frank recognition of the main objectives, a willingness to accept the partnership which government has offered us, with a cordial attitude of mutual good will and helpfulness, are necessary for the successful accomplishment of the desired end. We cannot and we must not fail as business groups. Undesirable legislation will be in store for us if we do not meet our government more than half way. I am confident that you as a group will do your share.

or immunity whatever. These conferences in no way increase the power or jurisdiction of the commission. These conferences do not in the slightest degree change the law. In every industry that has held a conference fraudulent and unfair practices have been largely eliminated. The government could not have brought about such results without years of litigation and expense, if at all.

The rules adopted at these conferences, for convenience are divided by the commission into 2 groups—Group I and Group II. Group I of these rules relates to practices that are unlawful. These rules will be enforced by the commission. The rules in Group II relate to such practices as the industry thinks are unethical, uneconomic or unfair, but which are not unlawful. The observance or the non-observance of Group II rules cannot be enforced. The observance of such rules is entirely voluntary.

I believe I can best demonstrate the workings and the results of such conferences by giving a few illustrations from the many we have held. We have had more than 130 of these conferences—some of them among the largest industries in the country. For illustration:

We had many complaints against the correspondence school system. This has become a gigantic business, doing great good and con-

taining formerly much evil. There are over 300 institutions of this kind in the country. There are over 2 million scholars enrolled in these schools, paying more than 75 millions of dollars annually in tuition. Of this vast sum so paid 35 million was paid to schools that were guilty of misrepresentation and fraud. The commission has issued about a hundred complaints against these various schools. It looked like an endless and hopeless task to stop this gigantic fraud. But with the help of the many honest schools and with the help of public spirited organizations and citizens, we succeeded in bringing about a Trade Practice Conference. The conference adopted a code that condemned all unfair practices in the industry. The code was approved by more than 85 per cent of the schools. Practically all the schools have obeyed the trade practice conference rules. The cases pending against the various schools have been dismissed. Fraudulent and unfair practices have practically been wiped out. Such results could not have been accomplished by any other agency. The furniture industry desired a conference. It was held and 950 concerns representing more than 80 per cent of the industry signed the rules and regulations that were adopted. Fraud in the furniture industry has been largely eliminated. No longer is gum sold for walnut nor birch for mahogany. With few exceptions the furniture industry tells the truth about its product today. Who can estimate the benefit of this conference to the public, when you remember that last year over \$61 million dollars' worth of furniture went into the homes of this country?

The wholesale value of the furs sold in this country is about 200 million dollars each year. In this industry were many false and fraudulent practices—some of them most strongly to be condemned. The most far-reaching perhaps was the misrepresentation as to the kind of fur—selling cheaper grades for the more valuable. For illustration: millions of dollars' worth of rabbit, muskrat and other inferior furs were sold as genuine seal, Hudson seal, Alaskan seal, golden seal and various other

"seals" were on the market—all of them spurious. The manufacturers and the dressers and dyers of skins all worked together in perpetrating this gigantic robbery of the public. The dyers and dressers stamped the false name on the skin, and the retailer would rip open the lining of the garment and show the intended victim the stamp to show that it was



Hon. W. E. Humphrey

"genuine seal." This fraud was practiced especially upon the working class and the poorer class of women. The honest men in the fur industry—and they were in the majority—did not practice such methods and were anxious that they be wiped out, and some that were not so scrupulous felt the twinges of an uneasy conscience after the Federal Trade Commission brought suit against them. The result was a trade practice conference. At this conference a code was unanimously adopted that practically wiped out these fraudulent practices and was signed by almost the entire

industry. This gigantic business is now comparatively free from such practices. This trade practice conference has saved the girls and women of this country mostly of the poorer classes from annually being defrauded of millions of dollars.

The rules adopted at the conferences I have mentioned are principally rules in Group I. In all of these industries the main thing accomplished was the abandonment of unlawful practices that had been prevalent in the industries—by the members of the industry, simultaneously and at a given definite date. Had these practices not been abandoned voluntarily it would have been the duty of the commission to have prosecuted those following such practices. The illustrations I have given, I think show the workings as to Group I rules, and the advantage that accrues to the industry, and especially to the public.

### GROUP II RULES

There is an impression among some that the Group II rules are not important and their adoption is not in the interest of the public, nor a help to the industry. Let me demonstrate how great a mistake such a belief is. Remember, as I have said, Group II rules do not relate to any unlawful practices—and that the commission cannot enforce the observance or the nonobservance of such rules. They are rules that go beyond what the law requires, in safety, honesty, decency and fairness—in order to protect the interest of the industry and the competitor. If a competitor is injured by the practices described in Group I, as I have already mentioned, he can appeal to the courts or the Federal Trade Commission for relief. But from any evils set forth in Group II rules he can appeal only to the reason and good conscience of his competitors. Let me give you a few illustrations of Group II rules.

The Structural Steel Conference adopted a rule that they would not sell steel for the carrying out of an unsafe structural design. When we consider the great buildings, the massive bridges and other structures daily

**H**UNDREDS of macaroni manufacturers call Commander Superior Semolina their "quality insurance."

These manufacturers know, after years of experience, that Commander Superior Semolina can be depended upon for color and protein strength day after day, month after month, year after year.

They know Commander Superior Semolina is dependable.

That's why over 75% of our orders are repeat orders from regular customers.

COMMANDER MILLING CO.  
Minneapolis, Minnesota

You  
**COMMAND**  
the Best  
When You  
**DEMAND**





being erected can anyone object to this rule or fail to see the humanity in it or the benefit to the public? Certainly such rules are not only in the interest of honesty and fair dealing but in the protection of human life.

The Medical Gas Industry adopted a rule that they would not sell or give away their product in such containers as would be dangerous to human health or life. Certainly this rule is also in the interest of humanity.

The Direct Sellers, a great industry operating throughout the entire country, adopted a rule as follows:

All members of this industry shall protect the consumer, not only as far as it is required by law, but as is required by good morals and the best ethics of business.

Certainly no good citizen could object to that rule.

Many of the industries adopted what is known as the "arbitration rule." That is the members of the industry agreed that they would submit all controversies in the industry to arbitration, rather than to appeal to the courts. That I submit, ought to meet the approval of everybody.

One of the largest conferences ever held by the commission and perhaps the most successful, and which accomplished more in the interest of the public, was the Conference of the Periodical Publishers on the subject of advertising. Let me tell you something about this conference and what led to the holding of it and what has been accomplished.

#### FRAUDULENT ADVERTISING

The people of this country are annually robbed . . . hundreds of millions of dollars by false and misleading advertisements appearing in the newspapers and magazines. I do not refer to those in the twilight zone, but those that are shamelessly and brazenly false on their face—such as those holding out alluring promises of lucrative employment to the unfit; that are insidiously lewd and indecent; patent medicine advertisements for incurable diseases, frequently injurious, never of any value, that rob the victim not only of his money but often of life; various methods for correcting bodily deformities; beauty creams and rejuvenating cosmetics—and perhaps the greatest of all just at present, the many antifat remedies, appliances, soaps, belts, powders and medicines; all of them fakes and all of them dishonest and some of them dangerous. Fabulous sums are spent for these antifat frauds since the female skeleton has become the fashion of this country. But the men are as easy as the women, as is shown in the matter of hair restorers—one of the worst, most intriguing and aged of frauds. Few men with bald pates seem to be able to withstand the allurements of this ancient and shameless fraud. The bald headed man is so infatuated with their promises that he becomes in the same mental condition as Shakespeare's enamored swain, when he exclaimed:

"When my love tells me she is made of truth, I do believe her, thought I know she lies."

That fat woman and the bald headed man in stupid faith lead this endless procession of suckers.

Until recently many newspapers and magazines were filled with this class of advertisements. I counted one hundred and ten in a single issue of a well known publication. Recently the radio has been used to some extent by these fakers. The Department of Justice, the Post Office Department and the Federal Trade Commission have all been trying to put these frauds out of business. But the result has been disappointing. We have accomplished comparatively little. Such advertisers are fleeting and cunning crooks, and when proceeded against they fold their tents and silently steal away to commence their fraudulent work in some new locality under a new name. These scoundrels and thieves rob the poor, the ignorant, the sick, the afflicted and the credulous of not less than 500 million dollars annually.

The painted face of today is the billboard whereon is shown the greatest display advertising that the world has ever seen. Some of it might be classed as false and misleading and much of it could probably be said to come within the legal meaning of unfair competition. But this is one method of unfair com-

petition that the Federal Trade Commission will not attempt to stop. What mortal man dare attempt to suppress an "inalienable right" of the "female of the species"! The painted face furnishes one of the most lucrative businesses in the United States.

There are 50 thousand beauty parlors in this country in which the women daily spend more than 3 million dollars. It is one of the most fertile fields of fraud we have—especially in advertising.

There is another class of unfair advertisements wherein the literal truth is told, but told in a way that does not give the whole truth. I remember a case we had in which it was strenuously urged by a very prominent attorney that a statement of fact was always justifiable and could not be deceptive. In that case the respondent was selling a food product and they insisted that it did not contain poison. Nobody contended that it did, but they were so insistent in their advertising the fact that their product did not contain poison that it became a clear insinuation that their competitors' product did. Otherwise there was no object or purpose of such advertisement.

The way that a truth is told may be in the highest degree deceptive. This is a class of advertisements that sometimes gives us great trouble in demonstrating their falseness. In other words, these cases are what Shakespeare terms "lying with a circumstance."

There are 2 classes of advertisements that are perhaps the most criminal of all. They plumb the very depth of infamy. I allude to those advertisements of medicines that are deadly to life and health, and to those fraudulent advertisements with reference to what is known as "home work."

The home work advertisement is one of the lowest, meanest and vilest that is published. By comparison with it highway robbery is glorified. They only rob the poor. Most of its victims are in desperate circumstances. Often she is the mother with little children, poverty stricken and as a last hope, literally takes the bread from her children's mouths and spends her last dollar. This class of advertisements are not false upon their face. Their deception is not easily discerned. This adds to their effectiveness. Often they deceive the most cautious and intelligent. The plan upon which they proceed is to hold out the promise of good wages for work that is done at home. When the victim answers the advertisement they are informed that they must send a dollar under some pretense, usually for a sample. This is the end. The dollar is seldom, if ever returned.

The other class comprises those that advertise poisonous medicines. One of the worst of these is the use of radium. When I spoke upon the question of the work of the Federal Trade Commission in this hotel a little over a year ago I mentioned these cases. I mentioned a case where a young man had been taking one of these so-called radium water treatments. When this man appeared on the witness stand, his lower jaw had been eaten away and part of his upper jaw. Most of his teeth had gone and the skull in back of his ear was being destroyed. I stated that, based upon the evidence before us, his death was certain—a slow and tortuous death. The young man died a few weeks afterwards. Whether correct or not, we have had information that this same so-called remedy is given to girls as a stimulant, "to give them pep." If our information is true any girl that takes this is sentenced to certain death. What a shame that the only thing the commission can do with this class of criminals is to stop them.

There are several other remedies that are poisonous and dangerous to life and health, and among them are some of the hair dyes and so-called "antiflat" remedies. I would like to see a law passed that would make fraudulent "home work" advertisements and those that advertise medicines that are injurious to health and life made a crime, and I would like to see every one responsible for the publication of such advertisements sent to the penitentiary.

For several years after I went upon the commission fraudulent advertisements were constantly flaunted in my face, to remind me that it was the duty of the Federal Trade

Commission to suppress such frauds. But apparently the commission was helpless. I finally thought that I had discovered a remedy. I went to New York and stated what that remedy was in an address. I gave out copies of the speech to the press. In that speech I said, "What of the liability of the publisher? He is a necessary part of the plan. Without him it could not be consummated. He brings the crook and his victim together. He helps rob him. He shares in the ill-gotten gains. He is equally guilty with the advertiser and is equally liable under the law." I gave notice that thereafter I would insist on the publisher and the advertising agency that furnished the advertisements being made parties in all suits to suppress fraudulent advertising. I awaited the reaction. I was greatly gratified to find that it was enthusiastically favorable—far beyond what I had expected. The next morning one of the largest and most influential papers in the world in an editorial strongly commended my plan and pledged its help to do everything it could to forward it. I received similar assurances from many of the leading publishers. The result was that a conference was called in New York city by the Periodical Publishers, representing over 6000 magazines. Many newspapers were also represented at this meeting. This conference voluntarily and unanimously adopted a plan that has done more to clean the columns of the press of the country of this shameless advertising than any or all other plans put together that the government has ever tried. I knew then that the fight was won. It could not have been without the publishers' cooperation.

As the direct result of the action of the publishers themselves, based on estimates from a partial report that has been made to the commission by one group of magazines, I estimate that they have rejected within the last year not less than 200 million dollars' worth of advertising of this character that has been offered to them within the same period.

Within the last 3 years as the result of cooperation with the publishers of the country, to whom the greater credit belongs, fraudulent advertising has declined as a whole in newspapers and magazines over 50%. Most of the most reprehensible class which I have mentioned has declined over 80%.

Over a thousand fraudulent advertisements were stricken from the columns of the publications of the country last year and most of these were of articles nationally advertised. The conference that brought about this immeasurable good to the public adopted but one rule, and that was a Group II rule. This rule was brought about entirely by voluntary agreement. The commission could not have compelled the adoption of such rule—it could not have enforced its observance. This rule was that the publishers would employ the National Better Business Bureau to furnish them information in regard to all questionable advertisements.

I like the Group II rule, because in them an industry protects itself and the public by going further in fairness and honesty and decency than the law requires. That is the highest type of citizenship.

There is no way to measure mathematically the results of the trade practice conferences. I will leave it to the public to measure the effect of 454 thousand business concerns agreeing with each other and with the public and calling the Federal Trade Commission to witness this agreement, wherein they pledged themselves to observe honesty and fair dealing in business and to use their influence for the suppression of fraud and unfair practices in trade.

I do not want you to think from what I have said that I believe that business is generally dishonest. I do not. I admit that the recent disclosures in what is termed "big business" have been most shocking and tended to make the country lose faith in many men who were regarded as leaders. These disclosures have made many doubt not only the wisdom but the honesty of these men.

It does seem that these men were not satisfied with the gains made by the ordinary methods of business; that they resorted to speculation and gambling with other people's money. Notwithstanding these recent developments, I believe that business is generally

## For THREE Generations--

We are furnishing many of your members with ROMEO Unbleached Kansas Hard Wheat Flour.

All sales are made direct, for cash, no exceptions---no brokerage or commission added.

It will pay you to let us furnish your flour requirements.

**BAUR FLOUR MILLS CO.**

Established 1870

ST. LOUIS, MO.

If you are not getting our weekly quotations reaching your desk Monday morning, write today.

## To Save

# MONEY TIME PAPER

Use the New  
**AUTOFLEX Sheeter**  
... for Cellulose Paper

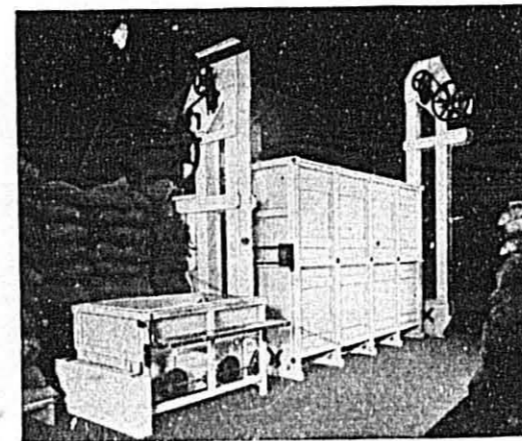
Manufactured by

**Autoflex Co., Inc.**

4554 Broadway

Chicago, Illinois

## Use CHAMPION Flour Outfits For Economical Blends



Now that the hot summer days are on the way it becomes increasingly important to thoroughly sift all your flour so as to keep all foreign materials—such as hair, dirt or hard particles out of it.

Champion Flour Outfits are specially designed to help you do this and also to assist in the making of highest quality products, because they eliminate all guesswork in accurately weighing and measuring your ingredients so as to insure a perfect blending of materials.

And best of all the Champion Flour Outfit operates efficiently at lowest cost. Let us tell you about it and about our monthly saving plan.

Write Today for full Particulars!

**CHAMPION MACHINERY CO., Joliet, Illinois**

Sales Service Agents and Distributors for Greater New York

JABURG BROS., Inc.

Hudson and Leonard Streets

New York, N. Y.

honest and trying to obey the law. I do not believe that the men and women who conduct the vast business of the country are a great army of potential crooks. I believe business grows daily more honest and this belief is borne out by my daily experience. I believe that business recognizes more and more that honesty is not only the best policy but that it pays the highest dividends. But still there is a vast field for improvement. The percentage of dishonesty is not large but in the aggregate it is far larger than it should be.

I do not urge you to hold a Trade Practice Conference. That is for you to decide, but if you do decide to have a conference, I assure you that the Federal Trade Commission will do everything it can to help you make it a success. Most of the conferences held have been of great benefit to the industry. No industry has been injured. There has been little criticism of the trade practice conference system, and that little has been due to misunderstanding or to a desire to use the trade practice conference rules to evade the law. It has been said that some of the rules approved by the commission have been illegal. We have adopted something like 2000 rules. Almost every one of them involves legal questions concerning the antitrust laws. What is and what is not a violation of the antitrust laws is a question upon which the greatest lawyers give different opinions, upon which judges disagree, courts divide and even the Supreme Court of the United States, the greatest court in the world, in decisions involving antitrust questions is seldom unanimous. On behalf of the commission I modestly plead that we do not claim to know more than the lawyers, judges and courts.

I know these are dark days in the business world. Despair and distress grip the hearts

of many. Yet no great pestilence has swept our country. No great national resource has been wiped out. The earth has not lost its fertility. Industry has not lost its power of production. Our nation is fundamentally sound as to all things that nature can bestow.

Today we witness a strange paradox. In the midst of plenty many are in poverty. There is an abundance of everything that goes to make up prosperity except work. We are inclined to blame everything but ourselves, but the fact is that we alone are to blame. The foundation of this world wide depression is speculation—gambling; the desire to get rich quick. The world has forgotten the Divine truth proclaimed more than 3000 years ago, that "by the sweat of thy face, thou shalt eat bread." Too many want to eat without sweating. But prosperity will come again. I sometimes feel like crying out as did the prophet of old, "O, Ye of little faith." I still have faith in the men and women of my country. I still believe in the institutions of my country. I still have an abiding faith in the Constitution of my country. I believe that the Constitution of my country is the wisest and safest guide for free government that human wisdom has ever yet devised. I believe that it is the "Ark of the Covenant" of our prosperity, our happiness, our liberty, our future greatness and our safety. I still believe that the Stars and Stripes float over the greatest heritage of the human race. Let us not forget the foundation principles upon which our nation rests, nor depart from them in these times of adversity and distress to follow after strange Gods. In this time of trouble, I would that the daily prayer of every American citizen would be "Lord God of Hosts Be With Us Yet, Lest We Forget—Lest We Forget."

### Macaroni Standards

By J. O. CLARKE  
Food and Drug Administration

I am substituting for Dr. W. S. Frisbie, Chairman of Committee on Definitions and Standards U. S. Department of Agriculture, who is unable to be here because of pressure of official business in Washington.

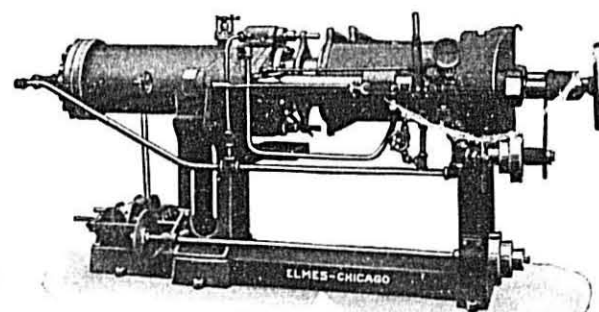
Your association is to be commended for its interest in improving the quality of the products manufactured by your members. Improvements in quality results in a mutual advantage to the consuming public and the manufacturer. The consumer receives more value for his money and you as manufacturers are enabled to enlarge your markets.

As a part of your program to raise the quality of macaroni products and at the request of your association there was introduced in the last Congress by Senator Shipstead a bill authorizing the Secretary of Agriculture to establish standards of quality for macaroni products. The same bill, as you know, was reintroduced in the present Congress. You are all familiar with this measure. In its broader aspects it requires macaroni to meet a standard of quality set up by the Secretary of Agriculture and compels labeling of a distinctive character on those products which do not meet the standard. The Department of Agriculture did not oppose the bill but withheld its endorsement on the ground that it could not be enforced without increased appropriations which were not obtainable at the time and also for the reason that the more logical procedure would be to obtain legislative authority to establish quality standards for all food products. In commenting on the Shipstead bill the department advised Senator Smith, chairman of the committee on agriculture and forestry, "that any amendment

providing for this form of differentiation between high and low quality macaroni products should be extended to include other types, if not all types of food products." I would like to say just a word about the new definitions for macaroni products which were signed by the Secretary of Agriculture on June 12. As originally written the definition for egg noodles may have been misinterpreted and the wording has been slightly changed to prevent any possible misunderstanding. The rewritten definition, signed by the secretary on June 12, is as follows: "Egg Noodles are the shaped and dried doughs prepared from wheat flour and eggs, with or without water, and with or without salt. The egg ingredient may be whole egg and/or egg yolk. In the finished product the moisture content does not exceed 13% and the egg solids content up to the moisture-free basis not less than 5.5%. Noodles are commonly ribbon-shaped. I might also say a word in regard to interpretation of the definition for plain noodles which describes the product as being made without any egg content whatsoever. The question has been raised in this connection as to the labeling of plain noodles containing a small amount of egg. The Food and Drug Administration has recently given as its opinion that plain noodles containing less than 5.5% egg solids should be labeled "Imitation Egg Noodles" and should also contain some such phrase as "Contains less than 5.5% egg solids." This opinion is based on the theory that even a small percentage of egg or egg yolk added to plain noodles results in a distinct yellow color simulating a genuine egg noodle. Since the product does not comply with the standard for egg noodles, but the appearance is that of egg noodles, it definitely falls within the classification of an imitation and under the new definitions for egg noodles and plain noodles must be labeled as an imitation. The consumer is not always aware of the minimum content of egg in egg noodles and even though the exact percentage of egg is shown on the label it is likely to deceive or mislead the purchaser unless labeled as an imitation.

As most of you know, the Department of Agriculture has only recently offered to Congress a recommendation for a complete new statute to replace the present Food and Drug act. Among many other things the new measure authorizes the Secretary of Agriculture to establish definitions of identity and standards of quality and fill of container for foods, having the force and effect of law. It will thus accomplish, if enacted into law, the extension of the principles of the McNary-Mapes amendment to all food products and will, therefore, accomplish for the macaroni industry the identical thing which your association hoped to accomplish under the Shipstead bill. The extent to which the Food and Drug Administration may go in establishing

HYDRAULIC MACHINERY  
**ELMES SHORT CUT PRESSES**  
CHICAGO



With Brass Lined Cylinders and Stationary Dies Are High Production Units EASILY ADJUSTED to Produce Any Length or Fancy Cut of Goods.

THE CHARLES F. ELMES ENGINEERING WORKS  
213 N. Morgan St. SPECIAL MACHINERY Chicago

standards, provided the new bill becomes a law, is, of course, dependent entirely upon the facilities granted the Food and Drug Administration by Congress for the enforcement of the statute. I might say that up to the present time it has been possible, due to limitation of facilities, for the Department to announce only definitions for canned foods under the McNary-Mapes amendment. Other definitions will of course follow from time to time as the resources of the administration permit.

In offering a new measure to Congress the Food and Drug Administration is not minimizing the remarkable accomplishment of the present law. Conditions have changed tremendously since the present law was enacted and because of progress in manufacturing and trade practices which it was not possible to foresee in 1906 it has long since become apparent that changes are essential if the consuming public, as well as the ethical manufacturer, is to be protected. Moreover, since the law was enacted court decisions have placed unanticipated limitations on the law, making changes necessary if it is to yield its greatest benefit to the consuming public and the ethical manufacturer.

I don't think we can consider the new bill as an amendment or a series of amendments to the old law. It proposes a new statute pure and simple, embodying the meritorious features of the old Food and Drugs act which have been tried and found to stand the test of time with new features, giving the instrument immeasurably more authority to effect a greater degree of protection to the consuming public and the ethical manufacturer. Urgent recommendations for amendments have been made at many times during the past 20 years. As far back as 1915 the department urged the passage of legislation authorizing the Secretary of Agriculture to establish standards having the force and effect of law. The slack bill has been continuously before Congress for many years and has on at least 3 occasions passed the House, but has never passed both houses of Congress at any one session. Our annual report for the fiscal year ending June 30, 1931 made numerous recommendations for amendments, and bills designed for this purpose were introduced. The principles involved in various amendments proposed from time to time are embodied in the proposed new measure. The impetus for the present revision here in the interest of the President himself. With the President on record as favoring the enactment of a comprehensive and satisfactory measure and with the sympathy and support of Secretary Wallace and Assistant Secretary Tugwell, it has become evident that the logical course would be not to attempt to patch up the present law by a series of separate amendments, but to rewrite the measure in its entirety. A recommended draft was presented to the chairman of the Senate and House committees on agriculture by Secretary Wallace on the 1st of June, and I understand was introduced before adjournment. There was no expectation that it could be acted on during the present session, but it is hoped that it will receive serious and favorable consideration in the next session of Congress.

Now just what promise does the new bill hold to the members of your association in accomplishing your purpose to improve the quality of macaroni products? As I have briefly stated, the proposed measure extends to all food products the same type of control as was designed for macaroni products in the Shipstead bill. In addition there are several features which will be of interest to your association. The penalties proposed will be much heavier than under the present Food and Drug act; particularly the penalty for willful violation of the act, which is set at 6 months to 3 years imprisonment or a fine from \$1000 to \$10,000. The present seizure provision is retained, but extended to include a type of executive seizure in cases where there is probable cause to believe the articles may be imminently dangerous to health.

The new bill embodies the principle involved in the various amendments which have in the past been proposed, designed to correct deceptive packages or slack filled containers. A far-reaching effect is the provision in the new bill covering false advertising. The present

Food and Drugs act does not touch advertising and under its terms so long as the label tells the truth there is no curb whatsoever on the flights of fancy which can be indulged in advertisements.

More informative labeling is required under the proposed measure. Foods for which there is no standard must be labeled with the common name of the food and mixtures must bear the name of all ingredients in the mixture in the order of the amount present. Food colors must be certified and the use of uncertified colors is not permitted.

Another item which will be of interest to this association is the requirement that packaged foods must bear labels which show the name and address of the manufacturer or distributor; this in addition to the present positive requirement that foods bear a statement of the quantity of contents. Rules and regulations for the enforcement of the new measure are to be prescribed by the Secretary of Agriculture instead of by the Secretary of Treasury, Agriculture and Commerce, as at present provided, except that rules and regulations relating to imports are to be promulgated by the Secretary of Treasury and Agriculture.

I have not attempted by any means to give you a digest of the proposed Food and Drug bill; I have touched only very briefly on a few of the items in which I feel that the members of your association would be particularly interested.

### The Case for Fair Wages

By MISS MARY ANDERSON  
Director of Women's Bureau, U. S. Department of Labor  
Washington, D. C.

Facing the fact of the sweat-shop's return has not been a pleasant experience for the American public. For many years we have gone about priding with pride to the good cleanup job we made of the tenement sweat-shops that flourished so vigorously the last years of the past century. At the present time however, it is difficult to pick up a daily paper without noting some reference to another instance of grossly substandard employment.

The truth is that we have never been without sweat-shops. During the past 30 years of

were paid 50 cents each. The garments were lined with quilted satin, trimmed with sealskin or other expensive material, and retailed at from \$35 to \$75 each. In 1933 a Kansas City paper reported the testimony of a power machine operator who did the sewing at 10 cents each on dresses that later retailed at from \$7 to \$10.

Long daily and weekly hours alternating with part time employment are typical of the present sweat-shops as they were of those half a century ago. Hours for women workers in New York city in 1885 were 10 a day; in manufacturing towns upstate they were considerably longer. The 1896 annual report of the Illinois Inspectors of Factories and Work-shops from the pen of Florence Kelley, shows that a day of 14 hours was the rule for the more than 7000 women workers in sweat-shops during that year. At the same time there had been work only one or two days a week in the contract shops in the garment industry of the state.

Present-day hour standards in certain industries are illustrated by data included in a Women's Bureau study of the South Carolina cotton mills in the spring of 1932. It was found that over a fourth of the women employees had worked at least 55 hours a week and that three-fourths of the mills had night shifts, not far from half of these having women on night work. On the other hand a number of cotton mills in other states were shut down or were operating on a part time basis.

The sweat-shop cycle is exceedingly vicious. Certain employers find that sweated labor is highly economical, and that they are able to place their products on the market at much lower rates than are possible for the much larger group of employers who make an honest attempt to give their workers a living wage. But even fair minded employers must somehow meet this outlandish competition with in the field. And so prices go down, goods become cheaper, but at the same time large groups of people find it increasingly difficult to buy at all, unemployment mounts.

It has been shown that 2 main types of firms must now answer to the charges of sweat-shop employment. There is of course the so-called run-away shop that opens up almost anywhere with poor surroundings and inferior conditions and pays available workers a mere pittance. This sweat-shop proprietor is a "little fellow" doing business on a hand-to-mouth scale. He must make a quick turnover or go under. He tries to dodge labor laws and union regulations, and to do so moves easily from place to place exploiting young girls as his chief type of labor. His plan is to engage these girls as learners, pay them a dollar or two a week, or nothing at all in some instances, and then dismiss them, engaging others on the same basis.

Perhaps even more dangerous than the run-away shop, because more powerful and unshying, larger numbers, is the employer who has a fairly nice factory plant but who sweats his labor, paying them as little as possible



Miss Mary Anderson

our industrial development we have known a number of depression periods when jobs have been scarce and workers plentiful. These are conditions which a certain type of employer is ever ready to exploit for personal gain. And now, because there are so many more millions of jobless than in previous depressions and because there are so many millions still at work whose purchasing power is at a very low ebb the sweat-shop, the depression profiteer, flourishes.

There are amazing similarities between present practices and those of 40 or 50 years ago or even earlier. Lists of piecework prices paid for work in New York tenement houses in the 1870's could be duplicated almost item for item today. Cases of "unremunerated labor" among the straw hat workers and shirt makers reported in 1851 are closely paralleled by instances of wages not paid for months found by the Women's Bureau in its study of Connecticut sewing trades in 1931.

The third annual report of the New York Bureau of Statistics of Labor for 1885 cites a case where 2 women working all day long could turn out but one cloak, for which they

presented to convention in proxy as Miss Anderson had been delegated earlier in the month to Geneva, Switzerland to head a delegation of American laborers at the convention of the International Labor Office at the League of Nations.

for a full week's work because he knows he can exploit labor when there are so many applicants for jobs waiting at the gates.

Just how far-reaching have been the effects of wage cutting, of substandard employment, is shown by data collected by the U. S. Department of Labor. Conditions are such at the present time, according to its reports, that the average woman worker in factories earns less than a living wage. In seven important women employing industries, according to data collected by the Bureau of Labor Statistics from factories throughout the country, the highest average weekly earnings for women in 1932 were found in the men's clothing industry—\$13.01; the lowest were in the underwear manufacture—\$9.56, exceeded only slightly by the average of \$9.87 for cotton mills. Typical earnings for women are those reported by the Women's Bureau as a result of its surveys in 1932. For example the median of a week's earnings for over 13,000 women in Texas industries was \$7.75, half the women earning more and half less than this sum. Sixteen thousand women in South Carolina cotton mills had a median of \$7.75, and 3000 women in Maine cotton mills the much higher median of \$11.10, even the latter being a wholly inadequate sum on which to live in health and any degree of comfort. Of 1500 women making men's work clothing in small Georgia towns, half earned less than \$6.70 a week.

With increasing momentum the conviction grows among wage earners, employers, legislators and the general public alike that a bottom level must be set which, as Governor Lehman of New York asserted in a message to the legislature at the recent session, will bring to an end "the downward spiral of lower wages, low prices and lower purchasing power," a condition that otherwise, according to the governor may possibly continue until unemployment has wrecked the morale and efficiency of our industrial population.

But how can such a bottom wage level be assured? Six states—New Hampshire, New

York, New Jersey, Utah, Connecticut and Ohio—have recently answered this question for themselves at least partially, by enactment of minimum wage laws for women and minors. Similar legislation is pending in at least 3 other states, stimulated no doubt by the action taken by the states mentioned and by the strong message of President Roosevelt advocating such legislation.

Most conspicuous has been the recent answer of Congress to the question of fair wage standards for industry, incorporated into the national industrial recovery act, enforceable for a 2-year emergency period. Under the provisions of this act a "code of fair competition" will be established by each industry through its trade association or otherwise, fixing wages and hours, prices and production schedules and setting standards for trade practices. Each code of fair competition must then be presented to the President for approval. If approved the code becomes enforceable by law and the industry is then freed from applications of the antitrust laws that have served heretofore to restrict trade association activities. Violations of the code carry heavy penalties. If not satisfied with the code drawn up by any industry the President may establish a substitute code. He is also empowered to require plants to obtain a license to operate if this action is found necessary to make a code effective. The rights of labor are expressly guarded by the act.

A vital factor in favor of the passage of minimum wage and fair wage legislation has been the efforts of progressive employers to

get such legislation. In connection with the proposed law in New York employers' need for protection from ruthlessly undercutting by competitors was urged vigorously by a number of employers. To quote one of these "the present system is sapping the life out of the people—reputable manufacturers are heartily in accord with the legislation proposed because in the last analysis they and their workers are the sufferers."

Another typical comment on the proposed act in New York was made about the same time by a New York city dress manufacturer, as follows:

"A minimum wage law would put the entire industry on a higher basis. Sweatshops would disappear and unfair competition would be less. We would gladly pay our workers more money provided we were certain that other manufacturers could not sell for less."

These are but 2 of many such comments showing the support that may be expected from employers for the administration of state minimum wage acts and the national industrial recovery act. It is to be hoped that it is an indication of an increasing concern on the part not only of employers but of the public as well in the fundamental theory of the necessity of fair wages, so that at the close of the 2-year emergency period for which the national recovery act provides, a strong and durable foundation will have been laid for the maintenance of wages at a health and decency level that will prevent there ever being another slipping back to widespread sweat shop practices.

## Report on Macaroni Amendment

By MARTIN LUTHER  
Minneapolis Milling Company

It may be of interest to all of you to know that we have withdrawn our Macaroni amendment or Standards bill which is known of-

ficially as the Shipstead bill to which J. O. Clarke of the U. S. Department of Agriculture referred earlier in the day. Unless

## PRICE • QUALITY • SERVICE

By These Features We Are Known  
To the Entire Industry

They Are Our Standard and Our Challenge



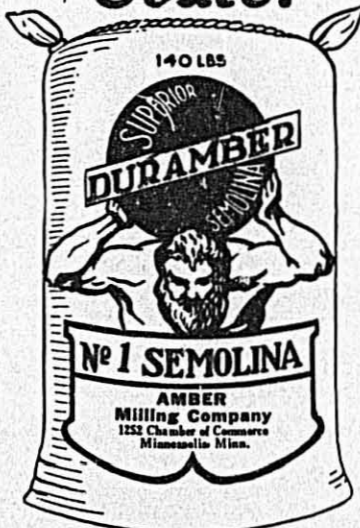
THE STAR  
MACARONI DIES MFG. CO.  
57 Grand St. - - - New York, N. Y.

IF YOU LOOK FOR PERFECTION IN  
DIE-MAKING AND REPAIR WORK

CONSULT US

Volete Una Pasta Perfetta ESquisita

Usate!



Non V' E' Semola Migliore  
Guaranteed by the  
Most Modern Durum Mills in America  
MILLS AT RUSH CITY, MINN.

## Convention Entertainment

there is some difference of opinion on the part of the members here assembled, it will stay withdrawn.

We did not, however, do this with any thought of retracing our steps or from any less degree of consciousness of the importance of the bill. We did it simply at the request of the Agriculture Department. Walter Campbell showed us that in place of the bill we were asking for—and the bill is particularly sponsored by the president and the secretary—the government was offering a bill which takes the place of the bill we had introduced that not only gives us all that we ask for but a little more in addition.

The bill recommended by the government is designated as a revised bill for the definitions of standards for the pure food bureau. In its preamble here it states that the bill shall carry this wording: "The Secretary is hereby authorized to fix, establish, promulgate definitions of identity and standards of quality . . . and container of any food."

If you remember our bill you see that covers the whole thing that we were asking for. There is this, however, added to it: The penalties which Mr. Clarke talked about and which we felt unable even to request. The new bill to which he referred will carry everything we wanted and carry it in a more complete and comprehensive manner than our own bill which we necessarily had to limit on account of its nature.

I think there is nothing left now for your Quality Committee to do. The bootlegger of quality is still conducting his campaign against the best interests of the industry as a whole, some of them just as flagrantly as ever, but this bill has the backing of the President. If you will remember, most of the bills that have had the backing of the President in the past have gone through with flying colors.

We have every reason to believe this will become law when congress reconvenes and we will then be able to go before the Secretary of Agriculture and get the same sort of interpretation with a little more teeth than we sought from our own bill.

The entertainment of the women and guests who accompanied the macaroni manufacturers to the convention last month was made easy by the opportunities for pleasure afforded by the world's greatest show—A Century of Progress Exposition that opened the last week in May and will continue till late fall. Realizing that it would be impossible to outdraw that attraction the convention committee wisely confined its entertainment to the annual festival of the macaroni group, the usual, popular dinner dance.

Never have so many macaroni and noodle manufacturers and their guests gathered in so large and so gay a party as that staged in the spacious ball room of the Edgewater Beach hotel the evening of June 20. They were there from every important macaroni state in the Union. They came singly, in couples and in groups, all pleasure bent and their desires were appeased immeasurably.

The macaroni party opened at 7:30 p. m. with a grand march played by the Henshel Serenaders and with a word of welcome by the genial toastmaster, Louis S. Vagnino of St. Louis, who was really at home as such. His able handling of a rather diplomatic job gained for him round after round of deserved applause.

After the waiters had served the "appetizer course" of a most tasty 7 course dinner, Toastmaster Vagnino hit upon a popular plan of introducing the officers

of the National association. Of the several officers he had the complimentary words to say, all getting the vociferous approval of the happy gathering.

On the program were several very entertaining acts booked through the Amusement Booking Corp. that kept the guests in a high state of humor during the dinner. When the smokes had been passed the gathering numbering nearly 350 sat back in their chairs to hear a short humorous address by Judge Wm. E. Humphrey of the Federal Trade Commission, whom the toastmaster presented in his usual able way:

We are singularly honored this evening by the presence of a distinguished person. It was our privilege this morning to hear him deliver a constructive and informative address concerning "Trade Practice Conference Procedure." A lawyer of national reputation, he was called to Washington to become a member of the Federal Trade Commission, and in his capacity as Justice of that august body, has fostered its growth and development. Probably to no other man goes such a large share of the credit for its success and continuance than to this man.

We are indeed fortunate to have him appear before us this evening in a new role, a man possessing a rare sense of humor. It is my distinct privilege to introduce Justice W. E. Humphrey, Commissioner, Federal Trade Commission, Washington, D. C., who has consented to relate some of the humorous incidents arising out of his long experience.

He was followed by Axel Christensen, well known radio star and Swedish impersonator who thrilled the audience

## THE CAPITAL TRIO



The above brands represent our best effort in milling skill  
and judgment in selecting Amber Durum Wheat.

CAPITALIZE WITH CAPITAL QUALITY PRODUCTS

CAPITAL FLOUR MILLS

Offices  
Corn Exchange Building  
MINNEAPOLIS, MINN.

INCORPORATED

Mills  
ST. PAUL, MINN.

with his make-believe accounts of macaroni making in Sweden, which country imports most of its macaroni products, and with stories in the dialect that kept the crowd in throes of laughter for half an hour.

The 1933 Macaroni Makers Festival was brought to a fitting close with the announcement by the toastmaster that the remainder of the evening would be given over to dancing.

### Election of Directors

When President Gioia appointed the nominating committee he called the members' attention to the added responsibilities imposed by the code which our industry, like others, was asked to adopt and suggested that consideration be given to all groups and sections to see that these were fully represented, as far as possible, on the board of directors. In giving his report on June 20 Chairman Joseph Freschi stated that this was given consideration and as a result it was found necessary to nominate some new directors from unrepresented districts to

replace good and faithful officers who had given of their time, their money and their ability to promote the welfare of the organization and of the industry. He then placed in nomination the committee's choice for one director to fill an unexpired term, L. S. Vagnino of American Beauty Macaroni company, St. Louis, and 4 complete terms of 3 years; John V. Canepa of John B. Canepa company, Chicago; Edward Z. Vermeylen of A. Zerega's Sons, Inc., Brooklyn; Valentino Giatti of De Martini company, Brooklyn; G. Guerri of Keystone Macaroni Manufacturing company.

When nominations were placed before the convention 2 others were named from the floor. Carlo Martino of Brockway Macaroni and Supply company nominated Sal Viviano of S. Viviano Macaroni Manufacturing company, Carnegie, Pa. F. Patrono of Independent Macaroni company nominated Steve La Rosa of V. La Rosa & Sons, Brooklyn. In the election that followed the nominees of the committee were chosen and declared elected for their respective terms.

## Wednesday June 21

### Cabinet Member Makes Address

Secretary of Agriculture Henry A. Wallace, whose address at a meeting of the Millers National Federation in another room in the hotel had been broadcast to the macaroni manufacturers by remote control, was prevailed upon by President-elect Hoskins to appear in person before the assembled macaroni manufacturers. He was given a great ovation on his appearance and spoke briefly, as follows:

When I addressed the millers this morning I was handed a letter from your secretary, Mr. Donna which I will read as an example of the far-reaching nature of the regulations which we may write and the administrative decisions which we are called upon to make. The letter I referred to follows:

Chicago, Ill.  
June 19, 1933

Hon. Henry A. Wallace, Sec. U. S. Dept. of Agriculture.

Dear Mr. Wallace:

The National Macaroni Manufacturers Association, assembled in its thirtieth annual convention in another room in this hotel, would like to have you address its meeting in person, but finding that there is so much demand on your time, we arranged, with the permission of the Millers Federation, to have your talk sent into our convention room by remote control.

We advise you of this in the hope that you will see fit in your talk Wednesday to refer to semolina and farina in the discussion of the wheat phase of your talk, thus making your address more interesting to the Macaroni Manufacturers, if that could be possible.

As an organization representing an industry using more than twenty million bushels of durum wheat annually for conversion into macaroni products, we await with much interest your discussion and assure you that the macaroni industry is with you 100% in anything you propose to bring about improvement in trade and better conditions for the farmer. Respectfully yours,

M. J. Donna,  
Secretary and Treasurer.

This made me realize, as I had realized before how exceedingly complex this whole matter is and how difficult my own knowledge is about some of the technical details.

One very interesting thing about these 2 new, very powerful acts, the Agricultural Adjustment Act and the National Industrial Recovery Act, is that both of them serve to bring people very much closer together in associations. You begin to realize, when you see certain centralizing power of the government there is to be had for good or for ill as the case may be, the necessity for you all getting together to see that that power is used in truly constructive ways.

### Processing Tax Clarifications

By A. J. WEAVER  
Economic Specialist of the U. S. Department of Agriculture

It was extremely unfortunate that the agricultural department set Monday for consideration of the processing tax and flour tax when you macaroni manufacturers, including your representative with whom we had previously discussed some of your and our problems were so busy here in convention. I wired Dr. Jacobs, who has previously been contacting us about the meeting, and was advised he would submit a brief giving the macaroni manufacturers' attitude and views.

Fortunately our problems with respect to taxes (and that is my immediate concern because that is what is bothering us right now and that is what has to be finished up in the next few days) are not quite as acute with us as they are with some other groups, particularly the millers who are going to be faced with the problem of paying processing taxes right along, but I suspect that you do have some problems and I suspect you do have some questions.

**Russell:** In regard to the moisture shrinkage in manufacturing, 5% is allowed. Are we allowed to increase the tax to take care of that 5% loss?

**Weaver:** I think that works automatically. We have established some tentative conversion factors for macaroni. By the way, copies of those conversion factors have been sent to Dr. Jacobs. Although I can't tell you specifically

It is true that those of us who are administering that power cannot be all wise when it comes to minute details and we have never kidded or deluded ourselves on that particular point. We ask merely that those of you who are in the very heart of the technical details of a given industry such as yours will let us know when you see we are going astray.

I have been asked by your chairman if I would give a pronouncement as to whether your particular industry was going to come under General Hugh Johnson in the Industrial Recovery act or going to come under George Peek in the Agricultural Adjustment act.

I may say that there is the closest of cooperation between General Johnson and George Peek and that in the cotton spinning business for instance, where both of us will be making our influence felt, we have appointed one gentleman from the Department of Agriculture and one gentleman has been appointed by General Johnson and both gentlemen are satisfactory to each other, mutually satisfactory to General Johnson and Mr. Peck, and their purpose is to iron out any possible difficulties that might arise.

It is possible that experience will demonstrate that certain features will be with us temporarily and later removed by the President's order to General Johnson, and then if the experience demonstrates that that is wrong they will be brought back again. There is going to be, I think, the greatest of flexibility.

On the spur of the moment I am very much inclined to think that you are more likely to be with us than with General Johnson. That is, I am sure that General Johnson's fundamental conception is this: that there must be a rather uniform and rapid approach to the labor problem in the great fundamental key industries and that he doesn't want to get clogged up with an infinite number of specialties, and that therefore he will turn over to us the greater part of the specialty food industries.

I think that will be arrived at by mutual agreement, so while I cannot give you any hard and fast declaration such as you doubtless would like to have today I can answer to you these general philosophies which apparently are going to guide both administrations.

I just promised to come in and say "Hello." I am glad to have seen you.

**Weaver:** There is no question that you get it back, but how you get it back and from whom you get it or who gets it hasn't been yet expressly covered in the regulations.

**Hoskins:** Mr. Weaver, will the tax from the first processor be passed on in the form of a tax or will he be allowed to include it in the selling price and pyramid it to a certain extent?

**Weaver:** That depends partly on whether the tax is on wheat or on flour, and that is one of the big questions that has not yet been decided. If it is on wheat, which apparently is the intent of the act, then it will have virtually the same effect as raising the price of wheat by the amount of the tax. The flour miller will then pass it on.

So far as your question involves the addition of specific amounts to invoices, we may have no choice in that matter. If the tax is on wheat we may have to let him add whatever amount in his judgment that flour or semolina bears to the price and put it on the invoices.

But if the tax were on flour, if there were an even tax on barrels of flour, then of course that question could be answered and will be answered very simply because the amount of the tax will be the amount that is added to the invoice, perhaps be printed on the sack.

**Hoskins:** Here is a thing that we have not been able quite to get fixed in our minds: Let's assume that the tax is added on to the price of semolina. It is passed on to us as an increased price. We then make up a macaroni product and ship it on a contract which existed prior to the passage of this act. Can we add on to that fixed contract an amount and say "Tax" and expect the vendee to pay it?

**Weaver:** The amount you can add to your existing contracts, as near as I can say just now, will be the amount established by the conversion factor which is used for purposes of establishing the flour stocks tax. It seems to me unwise to try to establish different conversion factors for different purposes,

and as long as we are establishing a conversion factor for purposes of collecting a flour stocks tax, it seems to me reasonable to let that factor carry through in as many cases as we possibly can.

**Quiggle:** Will this tax seriously affect our export business due to dumping regulations? Will it be considered a drawback or a bounty, the refunding of taxes for export purposes? In other words, we'd expect to raise our price as a result of that tax and not show the tax as a tax. In other words—will we have to sell at higher than world levels when we ship our goods abroad?

**Weaver:** Of course the question probably divides itself into 2 parts. "Export dumping" is an extraordinarily queer term because although economists and international lawyers are able to define it in pretty specific terms, in practice it always turns out that it is never export dumping unless somebody is hurt badly enough so they think they can benefit by making a hue and cry, and often in cases of mild export dumping that is not the case.

We have been told by our international authorities that there is no possibility of the drawback being construed as export dumping excepting insofar as a level tax may be applied permitting an exporter to draw back an equal amount on low grade products as he does on high grade products.

**Quiggle:** Can the government do anything to definitely establish that with other governments through their commercial attaches, etc.?

**Weaver:** If we can't we will have to do something about it. We will have to either quit collecting a tax on macaroni or we will have to tell the countries that complain that their complaints to the contrary notwithstanding we are going to go ahead with it, which at least under the present very tenuous state of international affairs we are not likely to do.

Well, I suppose really those are our only alternatives, but we are advised by the State Department, that we are not running into any difficulties on that score.

**Smith:** Will the tax be levied regardless of the price of wheat? And will the levy be governed by the fluctuations in the market?

**Weaver:** The method of fixing the tax is far from exact. In the first place the tax is not dependent wholly upon the price of wheat. The amount of the tax is dependent upon the relationship between the price of wheat and an index of the price of goods farmers buy. Over a long period of time it will probably be true—let us say over the next 12 months,—that the average price of the goods farmers buy will increase. It happens that in recent weeks the price of wheat has advanced faster than the price of goods farmers buy. Consequently this conception of parity has narrowed in the last few weeks.

We are going to avoid so far as possible making any changes in the tax during a marketing year, during a period of 12 months, because it is an awful nuisance. We will have considerable leeway because the method of determining the tax is not exact and, for example, the index of goods farmers buy is determined only once a month whereas you have a price for wheat every day.

**Cullman:** Mr. Weaver, are you in a position to say how and when the tax on flour stocks will be payable?

**Weaver:** There again there is some peculiar language in the law because the law reads that the tax shall be levied, assessed and collected on whatever day the Secretary designates as the beginning of the marketing year. When it is assessed of course depends absolutely on the marketing year.

As to when the tax is payable, I presume that is your principal question. As I say, the law says it is payable at the time it is levied and assessed. That means at the first moment after midnight on the first day of the marketing year. Other provisions of the law make it possible to defer payment on the basis of the rate of sale for a period not exceeding 90 days.

**Hunter:** Is the tax on flour stocks the only (Continued on Page 36)

## HOW CAN YOU GO WRONG?

We fully guarantee material and workmanship to be of the highest quality and standard.

Our repair work is the medium through which leading Macaroni Manufacturers save hundreds of dollars yearly.

YOU CAN'T GO WRONG!

F. MALDARI & BROS., INC.

178-180 Grand Street



TRADE MARK

New York, N. Y.

"Makers of Macaroni Dies Since 1903---With Management Continuously Retained in Same Family"

## The MACARONI JOURNAL

Successor to the Old Journal—Founded by Fred Becker of Cleveland, Ohio, in 1903

Trade Mark Registered U. S. Patent Office  
Founded in 1903  
A Publication to Advance the American Macaroni Industry  
Published Monthly by the National Macaroni Manufacturers Association as its Official Organ  
Edited by the Secretary-Treasurer, P. O. Drawer No. 1, Braidwood, Ill.

**PUBLICATION COMMITTEE**  
ALFONSO GIOIA, FRANK L. ZEREGA  
M. J. DONNA, Editor

**SUBSCRIPTION RATES**  
United States and Canada . . . \$1.50 per year in advance  
Foreign Countries . . . \$3.00 per year, in advance  
Single Copies . . . 15 Cents  
Back Copies . . . 25 Cents

**SPECIAL NOTICE**  
COMMUNICATIONS:—The Editor solicits news and articles of interest to the Macaroni Industry. All matters intended for publication must reach the Editorial Office, Braidwood, Ill., no later than Fifth DAY of Month.  
THE MACARONI JOURNAL assumes no responsibility for views or opinions expressed by contributors, and will not knowingly advertise irresponsible or untrustworthy concerns.  
The publishers of THE MACARONI JOURNAL reserve the right to reject any matter furnished either for the advertising or reading columns.  
REMITTANCES:—Make all checks or drafts payable to the order of the National Macaroni Manufacturers Association.

**ADVERTISING RATES**  
Display Advertising . . . Rates on Application  
Want Ads . . . 50 Cents Per Line

Vol. XV July 15, 1933 No. 3

### CONVENTION NOTES

#### A Hot Convention

While the scheduled and special sessions of the macaroni men were normal and well in hand at all times, the weather was surely abnormal during the entire convention period, except for a slight relief the last day. Starting Sunday, June 18, when most of the conventioners arrived and continuing through till Tuesday night, the thermometer flirited around the 98 mark, with high oppressive humidity. And yet many attended the Century of Progress exposition, day and night, despite the discomfort caused by the excessive heat and the blazing sun.

#### To Convention in Style

They call him "Conductor" Stockman now. To accommodate some of his many friends in the New York metropolitan area, Walter J. Stockman, New York representative of the Pillsbury Flour Mills Co. chartered a special car to the convention city. In the Stockman party were: Mr. and Mrs. R. Jonke of Schneider Egg Noodle Co., V. Giatti and son Louis of DeMartini Macaroni Co., Mr. and Mrs. F. Patrono of Independent Macaroni Co., Mr. and Mrs. Steve La Rosa and Mr. and Mrs. Peter La Rosa of V. La Rosa & Sons, Mr. and Mrs. Joseph Pelligrino of Roman Macaroni Co., P. Cassinelli and Mr. Gomli of Cassinelli Macaroni Mfg. Co., F. Chiara of Brooklyn Macaroni Co., Mr. and Mrs. John Campanella of S. Campanella & Sons, A. DeGiovanni of Forbes Paper Co., C. Surico and son John of Clermont Machine Co., Mr. and Mrs. Frank Lazzaro of Star Macaroni Dies Mfg. Co., Erwin Fischer of Duluth-Superior Milling Co., C. Ambretti and son of Consolidated Macaroni Machinery Corp., Mr. and Mrs. A. Simonetti of Duluth-Superior Milling Co., A. Luotto of Commercial Radio Service and Mr. and Mrs. W. J. Stockman of Pillsbury Flour Mills Co.

#### Sergeant Traficanti

Frank Traficanti of Traficanti Brothers, Chicago was appointed official sergeant-at-arms

for the convention and ably performed his new duties, especially during the closed session on the third day. He fully earned the nice hand given him as first assistant to the secretary in seating the guests during the banquet on Tuesday night, making table reservations without a hitch or complaint.

#### Convention Visitors and Guests

Mr. and Mrs. Joseph Essler, Chicago, Ill.  
Mr. and Mrs. John N. Van der Vries, Chicago.  
Justice and Mrs. W. E. Humphrey, Washington, D. C.  
Mrs. B. R. Jacobs, Washington, D. C.  
Mrs. M. J. Donna and daughters Esther and Lucile, Braidwood, Ill.  
Mr. and Mrs. Frank E. Taormina and daughter Mimi, New Orleans, La.  
Mr. and Mrs. Frank Dantoni and daughter Rose, New Orleans.  
Mrs. Antonio Dantoni, New Orleans.  
Lorenzo Mangano, New Orleans.  
Frank A. Bologna, New Orleans.  
Mr. and Mrs. Frank Bologna and daughter Maria Theresa, New Orleans.  
Mrs. Leon G. Tujague, New Orleans.  
Edgar O. Challenger, New York, N. Y.  
James J. Rodgers, Philadelphia, Pa.  
Theodore S. Banks, Buffalo, N. Y.  
Walter E. Ousdahl, Minneapolis, Minn.  
Miss Benedetta Vagnino, Denver, Col.  
Mrs. S. Scarpaci, sons Joseph and Frank, Boston, Mass.

Mrs. Ralph Nevy, Cumberland, Md.  
Mrs. G. Del Rossi, Providence, R. I.  
Mrs. Joseph Filippone and son Jack, Passaic, N. J.

Mrs. L. J. Laneri, Fort Worth, Texas.  
Mrs. G. G. Hoskins, Libertyville, Ill.  
Louis Giatti, Brooklyn, N. Y.  
Mrs. Simon Giordani, Providence, R. I.  
Mrs. J. H. Diamond, Lincoln, Neb.  
Mrs. Erich Cohn, Miss Gertrude Cohn and Master Richard, New York, N. Y.  
Mrs. Jacob Horowitz, New York, N. Y.  
Mrs. Francesco Patrono, Mount Vernon, N. Y.  
Mrs. E. W. Hunter, Reynoldsville, Pa.  
Mrs. Joseph Viviano and daughter Rose, Louisville, Ky.

Mrs. Joseph Guerrisi, Lebanon, Pa.  
Mrs. F. W. Kreider, Lebanon, Pa.  
Miss B. Morbrey, Elgin, Ill.  
Mrs. C. W. Wolfe, Harrisburg, Pa.  
Mrs. E. J. Villame, St. Paul, Minn.  
Mrs. Walter F. Villame, St. Paul.  
Miss Helen Freschi, William and Robert, St. Louis, Mo.

Mrs. Charles Zafonte and son Charles, Passaic, N. J.  
Miss Jennie Cugino, Buffalo, N. Y.  
Miss Millie Cantella, Boston, Mass.  
Mrs. Gaetano La Marca, Misses Olivia and Margaret, and Charles, Boston, Mass.

Mr. and Mrs. H. K. Becker and daughter Jane.  
Mr. and Mrs. N. Procino and daughter, Auburn, N. Y.

Mrs. A. Rossi, Auburn, N. Y.  
Miss Frances Ravarino and Mario, St. Louis.  
Mrs. Joseph Pelligrino, Long Island City, N. Y.

Miss Marie Ronzoni, Long Island City.  
Mrs. Henry D. Rossi, Harriet, Albert and Henry, Braidwood, Ill.  
Edward DeRocco, San Diego, Cal.

Mrs. Rudolph Jonke, Brooklyn.  
Mrs. C. H. Smith, Ellwood City, Pa.  
Mrs. Frank Traficanti, Chicago, Ill.  
Mrs. Nicholas Traficanti, Chicago.  
Mrs. Salvatore Viviano, Carnegie, Pa.

Mrs. Gaetano Viviano, St. Louis.  
Miss Dolores Westick, St. Louis.  
Mrs. E. I. Thomas and daughter Aljean, Minneapolis, Minn.

Master John Surico, Brooklyn, N. Y.  
J. Ambretti, Brooklyn, N. Y.  
Mrs. Ralph Barter and daughter Ann, Louisville, Ky.

Mrs. I. Klein, and Miss Anger, Duluth, Minn.  
Mrs. Arthur Simonetti, New York, N. Y.  
Mrs. George H. Turner and Mrs. Giggan, Duluth.

Mrs. Fred T. Whizley, Boston.  
Mrs. Thomas C. Roberts, Minneapolis.  
Mrs. Alex G. Graif and Alexandria, Minneapolis.

Mrs. J. A. Lenhardt, New York, N. Y.  
Mrs. David Wilson, Minneapolis.  
Mrs. Thomas L. Brown, Minneapolis.  
Mrs. A. J. Fischer, Minneapolis.  
Mrs. Charles E. Holcomb, Minneapolis.  
Mrs. Mario Iacono, New York, N. Y.  
Mrs. Walter J. Stockman, New York, N. Y.  
Miss Clare Rossotti, New York, N. Y.  
Mr. and Mrs. Frank J. Hanahan, Chicago.  
Mrs. Frank Lazzaro, New York, N. Y.  
Mrs. Colburn S. Foulds, New York, N. Y.  
Mrs. George B. Johnson, Chicago.  
Mrs. Charles L. Miller, Chicago.  
Mrs. Howard P. Mitchell, Buffalo.  
Mrs. Stephen La Rosa, Brooklyn.  
Mrs. Peter La Rosa, Brooklyn.  
Mrs. W. S. Halsey and son Meeker, Oriskany Falls, N. Y.  
Mrs. John Campanella, Jersey City, N. J.

#### Football Star Graduates

Bart Viviano, an outstanding star on the 1932 football team of Cornell University in New York, was an honored member of the 1933 graduating class. His parents, Mr. and Mrs. L. A. Vagnino of New York city attended the graduating exercises enroute to the macaroni convention in Chicago last month. Bart was second choice for All-American fullback and was considered by experts as the best defensive halfback that played on any team last season. He was captain of the Cornell team on which he starred.

### Processing Tax Clarifications

(Continued from Page 35)

direct tax that will be assessed against the macaroni manufacturer?

**Weaver:** The rest of it you will get in your semolina bill. It is fairly direct, at that.

**Kreider:** Is there any flour stock at all that is tax exempt?

**Weaver:** Retailers' stocks that are actually sold within 30 days.

**Hoskins:** This question may be out of line but I'm going to ask Mr. Weaver if it has been definitely decided the number of cents per bushel that the tax will be.

**Weaver:** As I said before, the technic for determining taxes is somewhat elastic. On the basis of prices which prevailed up to 2 days ago and on the prices of wheat and prices of goods farmers buy, the tax could be approximately determined at about 30c per bushel of wheat. Since then the price of wheat has gone up somewhat. It is entirely conceivable that by the first of July wheat may go from 75c as it is now at terminals to 85c or it is possible higher, in which case we'd apparently be in a bad fix so far as collecting any processing tax is concerned, because that might cut what we could collect in half.

As some of you who have kept in contact with legislation may know, originally there was a provision written into the bill along that line, but clearly the Secretary still has that power. I can't say this authoritatively but I might say in the official releases of the Department of Agriculture it has been continuously indicated that the amount which was expected to be received would be approximately 135 to a 100 million dollars total, which work-back to approximately 30c a bushel.

## Macaroni Processing Tax Effective July 9

Secretary of Agriculture Henry A. Wallace proclaimed that the processing tax on wheat and on macaroni products will become effective on July 9, 1933. It will apply on all flour and macaroni stocks in plants and warehouses as of that date.

The processing tax of 30c a bushel will apply on wheat. The conversion tax on stocks of flour already milled is based on 4.6 bushels of wheat to a barrel of flour (196 pounds).

The processing tax on semolina and farina is figured at .704 per cwt. or \$1.38 per barrel of 196 pounds. On the finished macaroni, spaghetti, etc., the tax will be .750 per cwt.; on noodles .714 per cwt. and on canned spaghetti macaroni and spaghetti, .188 per cwt.

The proclamation of the tax set at rest rumors that it would not be applied because of the sharp rise in the market price of wheat the last week in June, but because of the heavy carryover of 1932 wheat, amounting to approximately 367,000,000 bus. and the little hope of relief to farmers because of that carryover, swayed the government into applying the tax despite the advance in wheat prices above referred to.

Important rulings in connection with the announcement of the application of the tax are:

1. Flour is defined as—the clean, sound, fine-ground product obtained in the commercial milling of wheat, and consists essentially of the starch

and gluten of the endosperm. It contains not less than 1% of nitrogen and not more than 1% of ash, except durum first clears which may contain 1.2% of ash and not more than 0.5% of fiber.

2. Semolina is the granular product obtained in the commercial milling of durum wheat, and is that portion of the endosperm retained on 10XX silk bolting cloth. It contains no more flour than is consistent with good commercial practice.

3. Farina is the same as semolina, except that it is made from hard wheat other than durum.

4. Macaroni and spaghetti are plain alimentary pastes prepared and shaped from the dry doughs made from semolina, farina, wheat flour or from a mixture of any two or all of these flours, with or without salt, with one or more other ingredients.

5. Canned macaroni and spaghetti consists of a mixture of cooked macaroni or spaghetti mixed with cheese and other products and hermetically sealed in tin cans.

6. Noodles are a form of alimentary paste, which in the course of its preparation has been rolled or pressed into sheets or ribbons with or without subsequent cutting or shaping.

7. Paste is flour used in the preparation of adhesives. (That is why American macaroni manufacturers have

strongly objected to the use of the term "paste" in referring to their products.)

#### Table of Conversion Factors

This table of conversion factors, says Rexford G. Tugwell, acting Secretary of Agriculture, fixes the percentage of the per bushel processing tax on wheat with respect to 100 lbs. of the following articles processed from wheat. These percentages are based upon the basic conversion factor of 4.6 bushels of wheat equaling 196 lbs. of flour.

Macaroni products processed from wheat:

(Products of first domestic processing)	Conversion Factor
1-c. Semolina and farina.....	234.7
(Products of secondary processing)	
7-a. Macaroni and Spaghetti (except canned).....	250.0
7-b. Canned macaroni and spaghetti.....	62.5
8. Noodles.....	238.0

Conversion factors stated in terms of cents per pound tax rate:

(Products of first domestic processing)	Conversion Factor
Semolina and farina.....	704 or 138c per bl.
(Products of secondary processing)	
Macaroni and spaghetti, except canned.....	750 cents per bl.
Canned spaghetti and macaroni.....	188 cents per bl.
Noodles.....	714 cents per bl.

### Peterson Heads Retailers

H. C. Peterson of East Chicago, Ind., was elected president of the National Association of Retail Grocers of America at the 36th annual convention of the organization last month in Atlantic City, N. J. D. A. Affleck, Salt Lake City was elected vice president and G. A. Bartel, Cedar Rapids, Iowa was reelected treasurer.

The new president is well known to many in the macaroni manufacturing trade, once having addressed the convention of the industry in Chicago. Upon his shoulders falls the presentation and enforcement of a code of business practice for the grocery trade adopted by the convention, which among the usual things provides for a maximum week of 48 hours for female help and 54 hours for male help; a 6 day week, prohibits combination sales, free goods, rebates, gifts, premium coupons and secret allowances. C. H. Janssen is secretary-manager of the organization.

### Oregon Firm Advertising

Using both newspaper space and radio time the Porter-Scarpelli Macaroni company of Portland, Ore. has launched a publicity campaign to make known its macaroni, spaghetti and egg noodles to

the readers and listeners of the northwest. The campaign is being directed by MacWilkins and Cole of that city. The newspaper campaign was started in Portland and is being gradually extended to nearby cities, expanding until it encompasses practically every important market in Oregon, Washington and Idaho. A 4-month radio campaign is supporting the newspaper publicity.

### Attends Pretzel Convention

For Alex S. Klein of the Mrs. Klein Egg Noodle company, Chicago it is just one convention after another. Early in June he attended the annual conference of the potato chip manufacturers. He spent nearly a week at the Edgewater Beach hotel attending the 30th annual convention of the Macaroni and Noodle Manufacturers and then found time to give his own business a little attention before rushing to Harrisburg, Pa. by plane to attend the conference of the National Pretzel Manufacturers association.

### Spring Wheat Is Damaged

Reports from the durum growing states are to the effect that the 1933 crop has been seriously damaged by un-

favorable weather that prevailed during the critical growing period in June. In many sections the crop is suffering from drought and from the excessive heat that prevailed in those sections during the last 2 weeks of the past month. A good soaking rain may save much of the crop and enable the durum wheat farmers to harvest a fair yield in many sections.

The grasshopper menace is increasing in some parts of the northwest and the hoppers' ravaging will have some effect on the quantity of the 1933 durum wheat crop to the same extent that the moisture conditions will have on its quality.

### Corbaley to Advise

Gordon C. Corbaley of New York city, president of the American Institute of Food Distribution, has been asked to serve in an unofficial advisory capacity for the Agricultural Adjustment administration on food distribution problems. Mr. Corbaley will advise the administration in developing possibilities of readjustments and agreements in the food trade field under the Agricultural Adjustment act.

A preliminary conference of food distribution problems to which representative food trade leaders will be invited, is considered.



**OUR PURPOSE:**

EDUCATE  
ELEVATE

ORGANIZE  
HARMONIZE

**OUR OWN PAGE**  
*National Macaroni Manufacturers  
Association*  
*Local and Sectional Macaroni Clubs*

**OUR MOTTO:**

First--  
INDUSTRY

Then--  
MANUFACTURER

**OFFICERS AND DIRECTORS 1933-1934**

LOUIS S. VAGNINO (35), Vice President.....	G. G. HOSKINS (35), President.....	320 E. Church St., Libertyville, Ill.	ALFONSO GIOIA, Adviser.....	Rochester, N. Y.
LOUIS S. VAGNINO (33).....	St. Louis, Mo.	FRANK A. GHIGLIONE (34).....	Seattle, Wash.	G. GUERRISI.....
GAETANO LAMARCA (34).....	Boston, Mass.	WILLIAM CULMAN (35).....	Long Island City, N. Y.	V. GIATTI.....
WALTER F. VILLAUME (34).....	St. Paul, Minn.	JOSEPH FRESCHI (35).....	St. Louis, Mo.	EDW. Z. VERMYLEN.....
R. V. GOLDEN (34).....	Clarksburg, W. Va.	JOHN V. CANEPA (36).....	Chicago, Ill.	B. R. JACOBS, Wash. Rep.....
				M. J. DONNA, Sec'y-Treas.....
				Braidwood, Ill.

## The Secretary's Message

Most encouraging was the unanimous action by those composing the historic convention in Chicago last month in giving unstinted approval to the plan of industry regulation under government supervision.

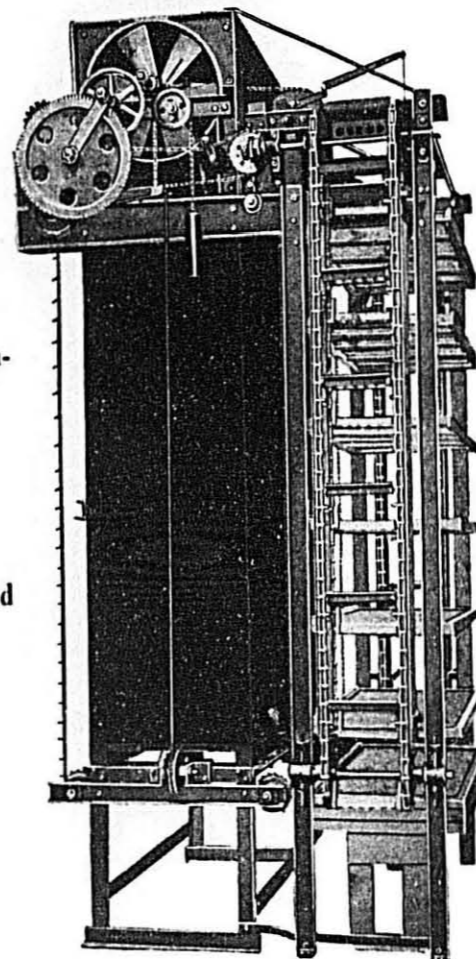
Most enheartening was the assurance of Macaroni and Noodle Manufacturers everywhere that they appreciate the value of coordination in assuming the tremendous responsibility placed upon them individually and collectively under the program outlined by the government agencies. That spirit is manifested in the voluntary submittal of applications for membership that have been sent the Secretary within the last month. Our membership has been practically trebled. Some centers now register 99%. Others are fast approaching that figure.

Enthusiasm at regional meetings held since the convention indicates that everyone is apparently desirous of eliminating every form of questionable practice that has been creating strife and retarding progress. Fair selling prices, honest labor wages and hours and improved qualities of all products to consumers are generally endorsed.

The future of the trade and industry now depends almost entirely on the action in Washington and the wisdom of the manufacturers exercised under the "New Deal." Complaints may be expected, but let us never lose sight of the basic purpose of the legislation—higher commodity prices at the expense of fairer wages, shorter hours, better qualities and forced increase in business activity—all with the sole purpose of banishing the gloom of depression that has been with us too long.

Toward this end the N. M. M. A. again invites those who have not already heeded our invitation, to unite with us in this common cause.

# INTRODUCING THE CLERMONT AUTOMATIC PRELIMINARY NOODLE DRYER



30% Moisture Uniformly  
Removed

Improves the Finished  
Product

Shortens the Drying  
Process

Labor Saving  
Device

Write for full particulars to

**Clermont Machine Company, Inc.**

268 Wallabout Street

Brooklyn - New York

**WATCH US GROW**

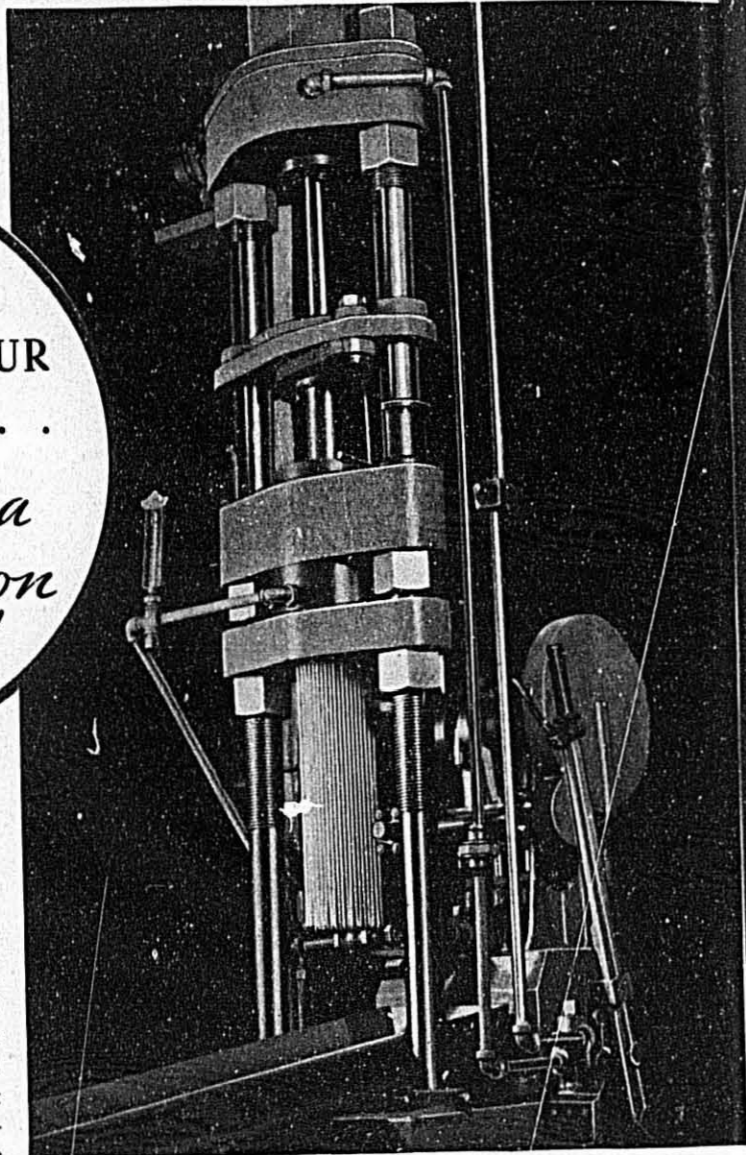
**WATCH THE INDUSTRY GROW**

WE MAKE  
MACARONI IN OUR  
OWN PLANT . . . . .

*. . . . . to put a  
final check on  
ourselves!*

We want to give you the finest durum products which it is possible to produce. We go out into the wheat fields even before the grain is ripe, and spot the territories which promise to yield the best durum. When the wheat begins to come in, we run test millings on every car we buy, to make sure it is of highest quality. We then mill this tested durum under the most carefully controlled conditions. Every hour a color test is made. Tests for protein are made constantly during the milling. And as a final grand check-up, we make macaroni, in our own plant, operating under the same conditions as are found in commercial plants.

When you buy Pillsbury's Best Semolina No. 1, or Durum Fancy Patent, you can be sure that it has been subjected



to every test which man has been able to devise. You may be sure that it will help you produce the finest piece of goods possible, at the lowest possible cost.

Above is a photograph of the hydraulic press in Pillsbury's macaroni plant, in their laboratories in Minneapolis. In ad-

dition there are a mixer, a kneader, a die cleaner, humidifier, and drying cabinets. All this equipment is of regular commercial type, and is used entirely for purposes of testing Pillsbury's durum products, to make sure that they are milled to work perfectly under the most trying commercial conditions.

PILLSBURY'S *Semolina*